

WORLD TRADE NEWS

THE MOTOR INDUSTRY

Net car exports reach peak of £548.1m. in first eight months

BY DAVID WALKER

THE BRITISH motor industry's exports took another downturn in August, a month when demand in this country for new cars was at a record level, according to figures released yesterday by the Society of Motor Manufacturers and Traders.

At the same time, the figures show the positive balance of exports over imports in this country's favour for the first eight months of the year as a whole was at a peak of £548.1m., a 9 per cent. advance on January to August, 1978.

In August alone, the balance was £57.5m., which compares with £24.6m. a year earlier.

This was achieved despite a massive increase in the value of new car imports during the month, which saw overseas-made vehicles take more than 30 per cent. of the British market for the first time.

At £32.4m., new car purchases from abroad were worth 116 per cent. more than 12 months before. Commercial vehicle imports, too, though relatively low in absolute terms, leapt by 131 per cent. to reach £3.7m.

Predictably, imports of components, parts and accessories

VALUE OF EXPORTS AND IMPORTS OF ALL PRODUCTS				
	1978	% change on 1977	1978	% change on 1977
(a) Value of exports £m. (f.o.b.)				
Cars	28.3	+113%	257.2	+16%
Commercial Vehicles	18.3	+186%	142.7	+27%
Components, parts and accessories	49.7	+127%	463.4	+29%
Other Motor Products*	21.9	+92%	189.8	+26%
Total Motor Products	£118.2m.	+123%	£1,053.1m.	+25%
(b) Value of imports £m. (c.i.f.)				
Cars	32.4	+116%	295.9	+50%
Commercial Vehicles	3.7	+131%	33.9	+44%
Components, parts and accessories	21.3	+107%	144.3	+41%
Other Motor Products*	3.0	+100%	30.9	+76%
Total Motor Products	£60.4m.	+113%	£505.0m.	+48%

* Includes: Agricultural tractors; dumpers and dump trucks; trailers; semi-trailers and caravans; industrial works trucks and tractors and their parts; marine and industrial engines up to 200 h.p.

** Includes adjustments for earlier months.

of the pound as a result of the float of sterling are reflected in the fact that, though imports of new cars were worth considerably more than the U.K. industry's sales overseas, more cars were actually shipped abroad from this country than arrived here.

The total number imported was 36,500, while exports came to 40,200.

But by value, exports of complete cars amounted to only £28.3m., though that was 113 per cent. more than the £13.3m. of August last year.

As well as reflecting the rising cost of imports, the discrepancy between the value and volume comparisons also stems from the fact that the export of cars in kit form for assembly abroad is becoming increasingly important. All cars imported to Britain are fully assembled.

Thus, U.K. sales of parts and components overseas amounted to £49.7m., an advance of 127 per cent. on 12 months earlier. Commercial vehicle sales abroad were also well up on August, 1978, at £18.3m. against £8.4m.

Renault develops new U.K. strategy

By David Walker

RENAULT, the biggest importer of cars into the U.K. so far this year with a normal market share of just under 4 per cent., has undertaken a major reorganisation of its sales set-up in this country.

The company, which was ousted, almost certainly temporarily, from the number one imports position last month by Datsun, expects its sales here this year to reach more than 70,000 compared with only 20,000 in 1969.

The main feature of its reorganisation is decentralisation; it is splitting the country for sales purposes into three autonomous regions—the North, Scotland, and Northern Ireland; Central England, Wales and the South West; and London, the Home Counties and the South-East, each controlled by a general manager directly responsible to Renault Limited's managing director.

The general managers are to be responsible for all aspects of normal sales, warranty, customer relations and so on in their areas independent of their head office.

Montedison chemical plant revealed by Soviet deal

BY ANTHONY ROBINSON

HARD ON the heels of a \$500m. agreement with the Soviet Union for the supply of seven complete chemical plants, Montedison has now announced that its Technimont engineering subsidiary will also participate in an order awarded to La Orona de Nora Impianti Elettromeccanici S.p.A. The order is for a 140,000 ton per year chloride plant using a purification and crystallisation process furnished by Technimont.

Meanwhile, a closer look at the new details of the Montedison-Soviet agreement, which was first announced last July together with a Lire 360,000m. financing agreement between the Istituto Mobiliare Italiano (IMI) and the Soviet Foreign Trade Bank, Vneshtorgbank, reveals many interesting aspects of Montedison's future chemical strategy.

In the first place, the Soviet authorities intend to repay Montedison largely by supplying

to the Italian group products manufactured in the new factory. To this end, both Montedison and the Soviet authorities are studying the feasibility of a new pipeline system not only to Italy but also to other Western European countries. Further large contracts for pipelines could be in the offing if these studies succeed.

For the Soviet Union, the new agreement provides sure export markets for its chemicals. For Montedison, the agreement will guarantee ample supplies of basic chemicals at a time when new obstacles to the future growth of Italian chemical production are being created by an increasing attention to pollution and the promised new system of financing industrial development in the south. Hitherto, this has favoured capital intensive industries such as chemicals, but in future the emphasis will be on labour intensive ones.

ROME. Oct. 3. The plants which will be delivered to the Soviet are all massive units of chemical technology. Two new plants will be 500.0 per year units for the production of ammonia, another 500.0 plant will produce urea. The agreement also provides a titanium oxide plant between 100,000 and 150,000 tons per year. This will place it among the world leaders in this interestingly enough, Montedison's own titanium plant, Sarnaro near Leghorn, has been closed down. This because a local magistrate the two ships used to take 3,000 tons of effluent down the sea following violent protests from Corsicans and ecologists and anti-pollution demonstrators.

Swiss shoe industry's problem highlighted by bank report

BY NORRIS WILLIAT

THE SWISS shoe industry is going through a difficult period, with the volume of output sharply down, and the value only modestly higher than even a decade ago, according to a recent study by the Union Bank of Switzerland. The situation is the result of a combination of adverse factors, including the rising cost of labour and raw materials; the progressive revaluation of the Swiss franc in relation to most other currencies; and growing competition from the industries of other countries, especially in the lower priced end of the business. The future of the industry, in fact, depends on concentrating on more expensive footwear, including that for the high fashion trade.

According to this source, 1972 production in Switzerland of 11.9m. pairs of shoes was 27.1 per cent. lower than in 1964, the year of record output. Value in 1972 of 384m. Swiss francs (about £55m.) was only 6 per cent. higher than in 1964. The drop in output of leather shoes (nearly 22 per cent. between 1964 and 1972) was less pronounced than for those of other materials (41.5 per cent.), but was still very considerable.

The extent to which this setback is due to foreign competition is shown by the fact that during the period under review, in the course of which the Swiss industry cut its output so sharply, shoe imports rose by 177 per cent. from 7.6m. to 13.6m. pairs. The highly successful and aggressive Italian industry undoubtedly has taken away

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turners both at home and in many world-wide markets. The products of the two countries compete. Also damaging has been competition from rising exporters as Spain, Italy, Brazil.

Part of the trouble over is price. Swiss shoe prices are seen steeply in recent years by the fact that the index overall is getting more than the more than 27 per cent. decline in production, accompanied by a 31.6 per cent. fall in the steady upward float of the Swiss franc. The value of the Swiss franc has not helped. The industry has been hit by rising raw material costs and wages.

Hopes of Qantas buying Concorde rapidly fading

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

ANY HOPES that the British and French have for either selling or leasing the Concorde to Qantas are rapidly fading. Qantas has been cool on Concorde ever since the inception of the project.

This week, it was learned that the airline is now investigating a new breed of wide-bodied jets for shorter-haul routes, and the Boeing 747-300 series jet using General Electric engines that will give the airline a Sydney

London service with only one stop-over. This means a flight time of 21 hours, against the suggested time of 13 hours and 15 minutes which British Airways and BAC say is possible with Concorde.

Qantas simply does not believe the figure, and suggests it is based on two stop-overs between Sydney and London. Qantas suggests a four stop-over flight is more realistic, and this would mean something like a 16-hour flight time.

This week, BAC's chairman Sir George Edwards is to make a call on Qantas. I understand he expects to have serious talks with the airline, but Qantas is resistent to it simply as a courtesy call.

Qantas is clearly not interested in the early Concorde jets, which do not have the range that the Australians require—namely, Sydney-Singapore in one hop on full payload.

There were challenges published to-day to the manufac-

turer's claims about the noise level of future Concorde.

According to a report in the Australian Financial Review this morning, a principal research scientist at the CSIRO, Dr. John L. Goldberg, who has studied the problem for two years, claims that it is impossible for the Concorde 002 noise level figures to be much improved.

There is good reason to expect that the approach noise of the production version of the

Concorde will be unacceptable. "The manufacturers have stated repeatedly that the production aircraft will have a noise figure of 115 EPNdB, the same as a Boeing 707-320B.

"However, there is now evidence to suggest not only that this average target figure may be exceeded by a considerable margin but also that there will be wide variations about the mean involving excessive noise maxima," he says.

SYDNEY, Oct. 2.

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FTS/10/72

The power balance in the Western Pacific area

BY CHARLES SMITH, FAR EAST EDITOR

THE SHIFT to a new power balance in the Western Pacific and the role of economic development in stabilising or, conceivably, in upsetting that balance, were the major themes dealt with at today's opening session of the Financial Times Conference on Business Opportunities in the Pacific Basin. The Conference is being attended by roughly 500 delegates from Europe, Asia, the U.S. and Japan. To-day's speakers included the U.S. ambassador to the Philippines Mr. William Sullivan, the Indonesian Minister of State for Research, Dr. Sumitro Djojohadikusumo and the Malaysian Minister for Home Affairs and Information Tan Sri Ghazali Bin Shafie.

In an address on "An American view of the future of the Pacific Basin," Mr. Sullivan identified two major strategic factors which were influencing the development of the region. One was the "Great enduring confrontation between Moscow and Peking," a confrontation which could produce benefits for those who live in the penumbra of Soviet and Chinese influence, although a full-scale war between China and Russia would be a global disaster. The second major element in the South East Asian situation identified by Mr. Sullivan was the "butte of influence of the economy of non-Communist countries in the region. This was already serving to make Asian influence more keenly felt in the associations of the great powers."

Discussing the political evolution of the Pacific Basin, the Malaysian Home Minister Tan Sri Ghazali Shafie, said it was a mistake to seek parallels with the development of an Atlantic Alliance. The countries round the Pacific fringe lack the common cultural heritage shared by Europe and the U.S. and there was no obvious leader of a Pacific Alliance.

The Soviet Union, he said, had a positive contribution to make to the region and it was a pity that Soviet initiatives were invariably analysed in the context of the Sino-Soviet dispute.

China's attitude and ambitions would hold the key to peace and stability in South East Asia. China's power was based on the prestige which it derived from its culture and its history and above all from its enormous population. Tan Sri Ghazali said, its aggressiveness was a matter for debate, but it was a fact that some countries in Asia felt a threat from China's sense of mission as a Marxist State and China had a duty to mitigate anxieties arising from this situation.

Tan Sri Ghazali said it was not the case that ASEAN countries were trying to achieve a swift-style neutrality. But the group was attempting to work out a new relationship between itself and outside powers. There was a good chance that internal

or 60 per cent. of the area's exports of certain key commodities. Dr. Sumitro described this prospect as "politically and socially disturbing."

Dr. Sumitro said that ASEAN's trade with the EEC was likely to remain static over the next seven years in contrast with the growth of its trade with Japan and the U.S. Despite this fact, Europe constituted a very major trading partner and there was concern about the slow development of institutional relations between ASEAN and the EEC. The EEC had permanent machinery for dealing with ASEAN, Dr. Sumitro said, but in the meantime other developing countries were gaining access to its markets through the enlargement of the Yaounde Convention. This was in sharp contrast to the EEC's ambivalent and discriminatory attitude vis-à-vis ASEAN.

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SINGAPORE, Oct. 3. Key countries in the Pacific area such as the ten between North and South Korea would resolve themselves if side powers could resist temptations to "shape" a segment.

The rapidly increasing importance of Japanese investment in South East Asia was the subject of a talk by Mr. Yoshio Karisawa, President of DSS-Daiwa Securities International. Mr. Karisawa said that Japanese investment in global terms was still very small—only one-nineteenth of that of the U.S. by the end of 1971. But it had grown by 40 per cent. in 1972 alone and was expected to reach a cumulative value of \$30,000m. by 1980. At present Asia accounted for 20 per cent. of total Japanese investment, here again the situation likely to change during the remainder of the decade.

Japanese companies were attracted by the "good development prospects of South East Asian countries and by the geographical proximity."

"Ill-feeling" Mr. Karisawa claimed Japanese companies were inclined to enter joint ventures and to accept minority investment particularly those from the U.S. But this did not necessarily reflect a Japanese concern with the susceptibilities of recipient countries. Instead, Japanese businessmen were impelled to accept business partners in Southeast Asia because of their familiarity with local practices. Japanese investment in those countries, he said, though criticism directed against them often applied to western investors as well.

A set of ground rules agreed by investors in the Western Pacific should "mirror" the projects was suggested by William Hurst, vice-president of the Bank of America. He suggested, among other criteria, that a prospective investor should ask himself whether his profits would increase the host country's foreign exchange earnings, a mobilise unused resources whether it would merely squeeze out local businesses.

WARNFORD INVESTMENTS

The Annual General Meeting of Warnford Investments Limited was held on October 2 in London. The following are salient points from the Directors' Report and Accounts:

- * Group Revenue before taxation for the year ended 25th December, 1972, was £835,812, an increase of £84,523 on the previous year. Revenue after taxation increased by £37,931 to £505,872.
- * The Directors recommend a final dividend of 1.9362p per share (equivalent to 2.766p gross) and together with the interim dividend of 1.38p (equivalent to 1.8p gross) makes a total of 4.566p per share (maximum permitted) compared with 4p per share last year.
- * The market value of the Group's properties is considerably in excess of the book amount but due to the effect of uncertainties caused by the Counter-Inflation Act, 1973, the revaluation of the properties has been postponed.

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AMERICAN NEWS

Nixon 'sent plumbers to investigate Ellsberg'

DRIAN DICKS

WASHINGTON, Oct. 2

N. EHRICHMAN, President Nixon's former chief of domestic affairs, has said a Los Angeles Grand Jury has indicted the President's special investigator, Mr. Ellsberg, for leaking the Pentagon Papers. Mr. Ellsberg, who was indicted by the Grand Jury on charges of espionage, was also indicted for leaking information about the President's activities to the press.

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Banker stresses need for higher U.S. gold price

JUL LEWIS

JOHANNESBURG, October 2

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Nixon confirms Europe visit

WASHINGTON, Oct. 2

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Vic Feather takes a TUC group to South Africa this week-end to study conditions for Blacks in British-owned companies. The campaign on the Blacks' behalf originated in the U.S. Donald F. McHenry, formerly of the State Department, reports

The importance of public pressure

CRITICISM of American corporations in South Africa has never reached the level of public attention which has been experienced in Britain in the last year. But it started earlier in the U.S., has been more sustained, and certainly was effective earlier.

The U.S. is a distant second to the British among overseas investors in South Africa. In 1971, the book value of direct U.S. investment in South Africa was \$994m., a figure 11.1 per cent higher than the previous year. It amounted to less than 1 per cent of total U.S. direct investment abroad, but was 17 per cent of the total direct foreign investment in South Africa.

The list of U.S. corporations with South African subsidiaries reads like a Who's Who of the corporate world. Of the Fortune Magazine list of 500 leading U.S. industrial, 12 of the top 15, 55 of the top 100, and 194 of the top 500 have holdings in South Africa. Many others sell products in South Africa but do not maintain subsidiaries.

Substantial

By U.S. standards few of the U.S. corporations have substantial holdings. South African operations represent approximately 4 per cent of General Motors' overseas operations and only 1 per cent of its total world-wide operations. However, such South African subsidiaries as GM, Ford, Chrysler, Mobil, Caltex (California Standard and Texaco), Firestone Goodyear, General Electric, ITT, and IBM are large by South African standards. General Motors, for example, states that its subsidiary would rank 11th in terms of total assets and 41st in terms of number of employees among the top 100 public companies listed on the Johannesburg Stock Exchange.

That South Africa has been denied by the company — of a profitable investment for U.S. Polaroid equipment and film in companies is apparent from the

1970 earnings rate of 17 per cent versus a worldwide return of about 12 per cent. Many, if not most corporations maintain that their earnings are substantially lower and that some actually operate at a loss. Corporate protestations about the economic hardship of their South African subsidiaries appear to be based on recent years during which South Africa has experienced something of an economic downturn and when corporations have had to make relatively large additional investments in order to meet increasingly rigid local content requirements. In the 1960s earnings varied sharply by economic sector but were high by any measure. Mining returned as high as 69 per cent in 1966, never dipped below 21 per cent, and averaged above 40 per cent. In manufacturing, where 55 per cent of American investment is concentrated, earnings ranged from a low of 12 per cent in 1967 to a high of 32 per cent in 1962 and averaged slightly more than 20 per cent.

Familiarity

In general, American corporations have responded in direct proportion to the amount of public pressure exerted upon them. In turn, the extent of public pressure has depended on the corporation's size, public familiarity with the corporation's name and product, and the corporation's domestic reputation for relatively enlightened social practices. This pattern has had three effects. First, the largest U.S. corporations in South Africa in terms of people employed and amount invested have made significant improvements in the last two years. Second, U.S. investors in mining, where name and product are not readily identifiable, have been the least responsive. Third, the bulk of the approximately 340 American corporations have been able to escape any real scrutiny and may have made few improvements.

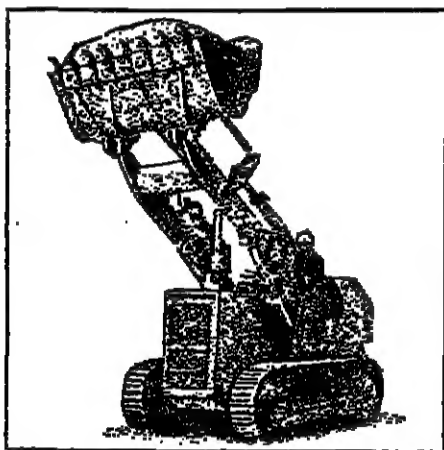
U.S. corporations in South Africa have concentrated their improvements for Black employees in those areas where the corporation exercises the

greatest control and where even the South African Government encourages improvements. Changes which smack of "integration" have been avoided like the plague. Thus most changes consist of improving wages and fringe benefits and of giving assistance in education. At General Motors, Ford and IBM, for example, tuition and educational costs such as books for African dependants are paid by the company at the elementary school level. Those who continue to secondary and higher levels also receive assistance. Some concerns provide transportation, legal and housing assistance. In addition, significant progress has been made with personal relations. Black employees are likely to find better treatment by White employees and, for the first time, access to company officials to express their views and grievances.

It is a measure of the gulf which exists between South African Black and White workers, however, that even with substantial improvements the situation of the Blacks remains dismal. Some changes publicised by U.S. companies have yet to be approved, and perhaps cannot be, without significant changes, however tacit, by the South African Government. "Rate for the job" and "equal pay for equal work," for example, will remain suspect slogans so long as Whites and Blacks cannot hold and compete for the same job.

Training frequently becomes training for the sake of training, or training to satisfy U.S. critics, unless knowledge and new skills lead on to better jobs. There can be no pretence of equal job opportunity or of advancement based on individual ability so long as Africans are excluded from skilled jobs. Blacks are prevented from supervising Whites, and are denied an equal right to collective bargaining. U.S. corporations already in South Africa prefer to ignore charges that their presence and the products help to maintain and

strengthen apartheid. In the present climate of improvements for Black workers they also tend to ignore the fact that few changes are taking place in the harsh legislation which enforces apartheid, and that this legislation places ultimate limits on the number and nature of the improvements that corporations will be able to make. However, a few corporations considering new investments or substantially enlarging current operations privately take the view espoused by Mr. Neil Wates in Britain that without basic social and political reform even model corporate operations are impossible. Their decision is to stay out of South Africa or to restrict operations to current low levels.



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Chile troops shoot 6 more civilians

SANTIAGO, Oct. 2

CHILEAN TROOPS have shot dead six Left-wingers as they tried to escape from a prison camp in the country's extreme north, the military authorities disclosed here today.

A Government spokesman revealed yesterday that soldiers shot dead nine other civilians as troops continued hunting down opponents of the three-week-old military Government under orders to shoot resistors on the spot. To-day's report said the six were in a working party at Pisagua Camp when they tried to flee. They ignored warning shots and were shot.

Meanwhile, a Council of War in the northern province of Tarapaca sentenced nine Left-wingers to jail terms ranging up to 14 years for trying to dynamite installations in a salt-petre mine.

EUROPEAN NEWS

African States make progress on EEC tactics

BY IAN DAVIDSON

DAR ES SALAAM, Oct. 2

MEMBERS of the Organisation of African Unity today agreed provisionally to maintain a common front in their forthcoming trade-and-aid negotiations with the European Community, conference sources said here today.

After two days of discussions, the African Trade Ministers appointed a committee of three of their number—Nigeria, Zaïre and Senegal—to review the preparatory work submitted by the African ambassadors in Brussels and to present a final position paper to the Ministers.

The Ministers will then hold another plenary session in Brussels on October 15, two days before their encounter with the nine Community countries.

Final agreement was still in advance to-night, as a result of procedural arguments, but it is expected before the conference ends to-morrow. Some doubt also exists over whether all 41 OAU member States will be in Brussels on October 15, not least because Morocco has not sent a delegation to the conference.

However, provided there is no new hitch, it looks to-night as though all the eligible African countries will be in Brussels later this month, with the object of negotiating a new global agreement with the Community to replace the existing Yaounde association of the former French colonies and the Arusha agreement of the East African countries.

To-night also appeared that the North African countries which have individual agreements with the EEC, would

be involved in the new French-speaking countries such as Senegal and Ivory Coast would agree to adopt the principles accepted here in their own negotiations with the Nine.

It is expected that special joint negotiating institutions will be set up, consisting of a council of Ministers and a committee of Ambassadors.

Chairmanship of the council, delegates suggest, will rotate on a three-monthly basis, and there will be provision in the last resort for settling disputes by majority vote. It seems likely that the secretariat will be provided by the OAU, despite the hostility of some French-speaking countries, though this is a point which will not be settled until to-morrow.

Virtually all the debate here in the past two days has concentrated on the central question of principle of whether Africa should negotiate as a body, and if so what procedures should be employed to maintain a common front. There has, therefore, been little discussion of detailed points of substance.

However, the Ministers have reaffirmed—unanimously, according to one source—their support for the eight principles adopted in Lagos in July. The first and most important of these principles is that the African countries should not give reciprocal trade concessions to the Community in return for preferential access to the European market.

Either, this has been one of the main points of controversy within Africa, with certain

Railways in France hit by 'week of disruption'

By Rupert Cornwell

PARIS, Oct. 2

STOPPAGES ON the Western and South Eastern networks of the French State railways to-day started what France's trade unions hope will be a week of industrial disruption culminating in a series of public sector strikes on October 11.

A co-ordinated programme of stoppages were agreed at a meeting of the dominant CGT and CFTD unions last night, as part of their campaign to bring about the "hot autumn" on the labour front they have frequently threatened.

Between now and next Saturday, all five of the SNCF's main rail networks will be affected, and this afternoon some main-line and suburban traffic on the Western region was reduced to one train in three. It is expected to be much the same story elsewhere later in the week.

The chief cause of the disruption is the men's claim for increased pay and shorter hours, to offset the rapid rise in the cost of living in France this year. However, the management is contending that existing agreements reached last May, and broadly guaranteeing a 2 per cent rise in purchasing power to the SNCF's 300,000 employees this year, still stand.

Leading role

The rail strike has been partly fomented by the Communist-led CGT union in an effort to reassert its position in the French labour movement, where it has been overshadowed lately by the CFTD's leading role in the protected and widely-publicised Lip dispute.

The climax of the unrest is due to come next Thursday, when civil servants, postal workers and members of the health service have been called out on strike, and it has been suggested that even wider areas of the public sector may be paralysed on that day, with telephone and telegraph services also affected.

50,000 PROTEST AGAINST EEC

By Hilary Barnes

COPENHAGEN, Oct. 2

ABOUT 50,000 people demonstrated against Denmark's EEC membership in Copenhagen today on the anniversary of the referendum last year which approved Danish membership.

The demonstration was organised by a wide range of anti-market groups on the Right and Left of the political spectrum.

Speakers demanded that Denmark be freed from the alleged bureaucracy, alienation and reactionary protectionism of the EEC and given back "our freedom to determine our own policies."

WEST GERMANY

Ostpolitik storm gathers over Bundestag to-day

BY MALCOLM RUTHERFORD

BONN, Oct. 2

THE UPROAR caused by the Ostpolitik remarks of Herr Herbert Wehner, Parliamentary leader of the Social Democrats (SPD), is likely to shift to the Bundestag to-morrow in what promises to turn into a major foreign policy debate.

Herr Wehner returned from Moscow to-day and went straight into talks with Chancellor Brandt. The most that has emerged so far in the way of exonerations, however, is that he had made his remarks before in West Germany, but that no one had taken any notice. He has thus partially cleared himself of the charge of speaking out of turn in the Soviet Union.

The content of his remarks, which were critical of the Government's recent handling of the Ostpolitik, is still disputed. Herr Wehner sought to clear things up when he said, in a

television interview from Moscow last night, that he feared the Bonn-Moscow Treaty was not being properly followed up. There was a danger that it would turn out to be like the establishment of diplomatic relations with the Soviet Union in 1955. There was a failure then to develop relations which remained unchanged until the bilateral treaty some 15 years later.

Overdone

The particular point at issue is the Bonn Government's decision to defer the establishment of relations with Czechoslovakia, Hungary and Bulgaria in the hope of pressing its claim to have full consular functions in those countries for West Berlin. Herr Wehner believes the claim is being overdone and is not supported by the 1971 Four Power agreement on the city. This is also the view of the Soviet Union and its allies. The three Western

signatories to the agreement have so far avoided taking any public position.

After the meeting with Herr Wehner to-day, Herr Brandt told the SPD Parliamentary party that the Berlin agreement would be respected in word and spirit. But this is the position of almost everyone, and the trouble is that the agreement is vague on how far Bonn's claims to represent West Berlin can be allowed to go.

The Bundestag debate will open to-morrow afternoon with a statement by Herr Scheel, the Foreign Minister and Leader of the Junior coalition partner, the Free Democrats. He will be reporting on his recent visit to the United Nations where he had a meeting with Mr. Gromyko, the Soviet Foreign Minister, when the whole Berlin issue was discussed.

This is expected to be followed by a debate in which Herr Wehner should take part.

Brandt's Berlin bogeyman

BY MALCOLM RUTHERFORD

BONN, Oct. 2

HERBERT WEHNER is frequently known as the bogeyman of West German politics, or even a crypto-communist. In way this is odd as Herr Wehner has done as much as anyone to steer the Social Democratic Party away from Marxism and to make it an attractive proposition for middle of the road, middle class voters. Yet his "indiscretions" in Moscow and Leningrad over the Ostpolitik have brought back—with a vengeance—the

liberal bogeyman image is partly political, partly physical. Herr Wehner is not an attractive man to look at, or to listen to. He is a little over 50, with a receding hairline, a large nose, and a somewhat weary expression. He is dressed in a dark suit, a white shirt, and a dark tie.

The bogeyman image is partly political, partly physical. Herr Wehner is not an attractive man to look at, or to listen to. He is a little over 50, with a receding hairline, a large nose, and a somewhat weary expression. He is dressed in a dark suit, a white shirt, and a dark tie.

temporarily disgraced, but then allowed to leave for Stockholm with the task of co-ordinating with the exiled German Communists in Sweden.

He was arrested and interned by the Swedish police. In the process, he returned to being a Social Democrat—possibly because of his disillusion in Moscow. In 1945 he arrived in Hamburg, edited a local SPD newspaper and joined the party. At Schumacher's request he stood for the first Bundestag in

That alone was not enough. Even in the 1950s, Herr Wehner entertained the idea of a Grand Coalition of Social and Christian Democrats—largely as a means of furthering German reunification. In the mid-1960s, it was he who did most to bring the Grand Coalition about, though partly for other reasons.

Herr Wehner was not at first enchanted with the new coalition of Social and Free Democrats, which had a maximum majority of only 12. No doubt he preferred the big coalition as a more likely road to reunification. He switched from his previous job as Minister for all German affairs to become Parliamentary leader of the SPD, but was soon doing a steady job of bashing the Opposition. Only recently has he appeared to bash the Government as well.



Herbert Wehner

1949 and has been a member ever since.

Slow rise

The rise to power was slow, and it was only the SPD's successive electoral defeats which gave him his opportunity. Herr Wehner first became a party force at the Stuttgart conference of 1958. A year later he was pushing through the Godesberg Programme which declared the break with Marxism, reconciliation with the Church and turned the SPD from a class to a people's party.

Moscow 'not concerned' at U.S. trade vote

MOSCOW, Oct. 2. A SENIOR Soviet trade official said to-day the Soviet Union is unconcerned whether the U.S. grants it Most-Favoured-Nation trading status.

"This is strictly an internal problem for the U.S.," said Mr. Vladimir Alkhimov, Deputy Minister of Foreign Trade, at a news conference on the formation of a new U.S.-Soviet trade organisation.

Earlier to-day, U.S. Treasury Secretary George Shultz called on Premier Kosygin at the Kremlin. U.S. sources said their discussion included a review of Congressional moves to block most-favoured-nation status unless the Soviet Union adopts a more liberal emigration policy for Jews and other minorities.

U.S. sources said their discussion included a review of Congressional moves to block most-favoured-nation status unless the Soviet Union adopts a more liberal emigration policy for Jews and other minorities.

While the deals so far proposed—in the fields of oil, natural gas and chemicals—are unlikely to be affected by "most favoured nation" treatment, it is no secret that Russia is hoping that the U.S. will prove an important market for finished and semi-finished goods. These sectors could be hard-hit by the House Ways and Means Committee vote against providing most-favoured-nation status. Full details of the Trade Bill should be released by the Committee this week.

BREZHNEV TO VISIT INDIA

By K. K. Sharma

NEW DELHI, Oct. 2

Soviet Communist Party chief Mr. Leonid Brezhnev will visit New Delhi towards the end of November for what are described as talks of "far-reaching importance."

He will be accompanied by a high level delegation which will discuss Indo-Soviet relations with Premier Mrs. Indira Gandhi, and particularly economic co-operation.

Flemish leaders compromise

By Laurels Oslager

BRUSSELS, Oct. 2

FLEMISH politicians to-day agreed on a possible way out of the difficulties created by a recent law which makes Dutch the only language allowed for contacts between employers and employees in the Flemish part of Belgium. Cabinet approval for the compromise is now required.

The law, designed mainly to prevent the use of French in enterprises in Flanders, also makes it illegal to use any other language.

Mr. Ernest Gilman, the Minister for Employment, has already suspended the issuing of new work permits for non-Dutch-speaking foreigners who want to take up employment in Flanders. They, would he said, inevitably run foul of the law and had to be protected.

Members of the Government and two committees of the Flemish Cultural Council—the Flanders legislative authority—agreed to-day that the law would stand, but that the Government should have powers to interpret it on a case-by-case basis. All Government interpretations would have to be approved by the Cultural Council.

Britain's programme for pollution control

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Oct. 2

BRITAIN TO-DAY called for rapid progress in the implementation of Common Market plans to improve the environment and put forward an eight-point programme for Community action to combat pollution.

The proposals were made by Mr. Egon Griffiths, Under-Secretary of State at the Department of the Environment, as he opened an Environmental Exhibition to mark the Europa 73 British Cultural Festival.

Mr. Griffiths said the U.K. particularly wanted to see progress within the Community on the following lines: common product standards for motor vehicles and other potentially polluting products; control of all polluting discharges to the sea, particularly from rivers; co-operation in surveys and monitoring, and the development of a new centralised system for environmental information; collaboration on research into the effects of pollutants; faster progress on noise, especially from motor vehicles; exchanges

on pollution control technology; a limited number of sectoral studies, including perhaps the effects on the environment of the paper and pulp industries; and regular meetings of community ministers of the environment.

Many aspects of environmental policy might still be better handled at the national or local level, Mr. Griffiths said, but the British public wanted speedy and constructive progress at the Common Market level too. Wherever possible the Government would like to see other Community countries adopt powers similar to those provided for by the new Environmental Protection Bill, soon to be introduced in the U.K., he added.

But pollution control could not be effective if it was planned and imposed "from remote administrative centres," Mr. Griffiths said. There was need for continuing consultation on the spot with the industries concerned, and, increasingly, with ordinary people.

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NEW YORK
We're becoming a big international bank by not acting like one.

Denmark declares war on inflation

By Hilary Barnes

COPENHAGEN, Oct. 2

DANISH PRIME Minister Anker Joergensen promised a policy of economic restraint and a war on inflation when he delivered the Government policy declaration at the opening of the new Parliament to-day.

But after days of about drastic measures, he failed to take any specific steps to combat it. This was attributed here to the inability of the Social Democratic Government to reach agreement on the measures with the wing Socialist Peoples' Party, which the minority Government is dependent for its working majority in Parliament.

Mr. Joergensen was making his first speech at the opening new Parliamentary year assuming office 12 months ago.

The major part of the Minister's speech was devoted to the economy, curbing inflation and reducing the current deficit of payments.

He said public expenditure housing investment and consumption would be reduced. Credit policy would also be viewed in order to see where they were most needed.

Mr. Joergensen confirmed the previously announced increase in company taxation from 35 to 40 per cent, would be enacted this autumn and taxes increased.

The Government also intended to promote a better physical environment and create a democratic

High hopes for Italy's '73 vintage

By Peter Tumlasi

ROME, Oct. 2

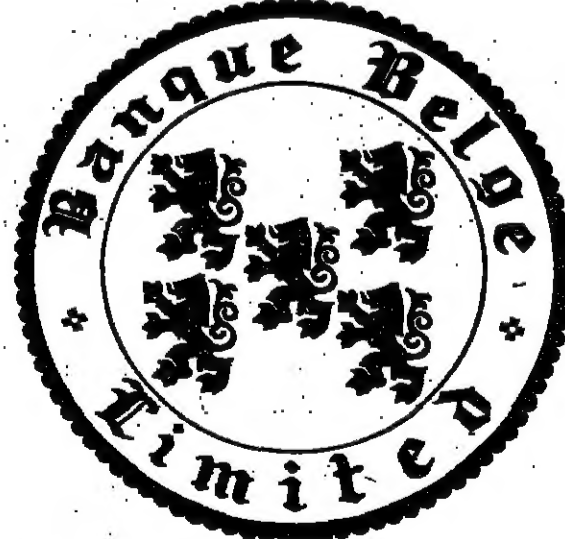
WITH GRAPE PICKING approaching completion everywhere in Italy, it is forecast that most of Italy's wines will be of exceptional high quality. But from a point of view, they will fall of the record level which has been anticipated.

It is now estimated that year's grape output will amount to about 9.5m. tons, which give a wine output of about 6.5m. hectolitres compared with last year's production of 6.2m. hectolitres.

FRESH CHOLERA CASE CONFIRMED

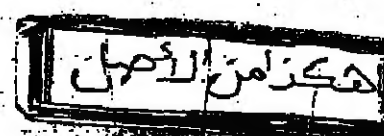
NAPLES, Oct. 2

A new case of cholera was confirmed at Naples' Cot hospital to-day—the first more than a week. A farmer was the 12th cholera case reported in the Naples area. The outbreak began in August.



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Army debate likely French plan to b supermarkets

ERT CORNWELL

PARIS, October 2.

ATIONAL Assembly autumn sitting to-day promises to be a long debate on a bill that would impose controls on the spread of supermarkets and hypermarkets.

Essentially M. Royer's proposals would limit the size of such stores that can go ahead without permission. Since the Commission that would supervise such operations would be partly composed of small shopkeepers, its generally hostile attitude would be more or less guaranteed.

But the attack on large stores would be carried further by tax concessions to help small traders, and restrictions on mass selling at a loss to promote new lines, as well as "artificial publicity."

However it is at this point that the bill runs into some opposition within the Government itself, and lends the debate its political piquancy. The tax suggestions, for a start, would increase the campaign of the Finance Ministry to iron out distortions in the French tax system.

Moreover any steps to hold back the growth of supermarkets in France as elsewhere cheaper than their competitors, would be hard to reconcile with the Government's determination to hold down prices. For this reason the speech of the Finance Minister, M. Giscard d'Estaing, due later this week, is awaited with particular interest.

SNOW CLOSES SWISS PASSES

CHUR, Switzerland, Oct. 2. Unusually early falls of snow to-day closed Swiss alpine road passes in east Switzerland—the Albula, near St. Moritz, and the Umbrail on the Swiss-Italian frontier.

Reuter

Irish stew over Rhodesia ploughmen

By Dominick J. Coyle

DUBLIN, Oct. 2.

THE WEATHER FORECASTERS here are predicting that the 20th world ploughing contest, which is being held at Wellingtonbridge, County Wexford, will not get bogged down in the Irish mud, but the international organisation behind the championships has been cutting a highly delicate furrow through something of a political quagmire.

Core of the problem concerns the two-man Rhodesian team. Some 20 countries are participating in the ploughing contest, and the controversy has already involved both the Irish Government itself and the United Nations. All Irish Ministers, including Prime Minister Mr. Liam Cosgrave, are now to boycott the contest.

Dr. Garret Fitzgerald, Foreign Affairs Minister, has even issued a statement clarifying the government's position. This, in effect, is that the world's top ploughmen are more than welcome here—"we warmly welcome the holding of the event in Ireland"—but not the all-white Rhodesian competitors.

U.K. passports

Should ploughmen from Southern Rhodesia arrive in Ireland with travel documents issued by a State other than Rhodesia, it would, because of the complicated nature of the issue involved, be impracticable to deny them entry here, according to the Minister.

Well, the Rhodesians have arrived, apparently on the ferry from France and seemingly with British passports, and Dr. Fitzgerald has counselled a government boycott on the basis that any Ministerial presence at Wellingtonbridge to-morrow would constitute a breach of sanctions against Rhodesia and be in conflict with successive UN resolutions.

The Kenyan Government, through its acting High Commissioner in London, to-day instructed two Kenyan ploughmen not to participate if indeed the Rhodesians take part, although the Kenyan team leader, Mr. Joseph Kangogo, was saying last night that his group was a definite competitor.

Mr. Michael Connolly, the Irish member of the World Ploughing Organisation, no doubt wishes all the politicians and political activists would go away, leaving the expected 50,000 spectators to enjoy the championships.

Nuclear arms: U.S. must help Nato partners

BRUSSELS, Oct. 2.

THE U.S. should prepare to help France and Britain develop their nuclear weapons as a means to promote equal partnership in the North Atlantic Treaty Organisation, nine Western "wise men" said to-day.

The "wise men" committee, including U.S. Senator Jacob Javits, Manlio Brosio, former Nato Secretary-General, and Michael Habib-Delencle, former French Secretary of State for Foreign Affairs, were instructed by the 15th annual session of Nato in 1971 to make a detailed study of the future of the alliance.

The committee's report was published simultaneously in Brussels, Washington and Ottawa and will be presented to the 19th annual session of the Assembly in Ankara later this month.

The committee said nuclear collaboration between West European nations and the establishment of a special nuclear relationship with the U.S. must be constantly followed up by consultations by the Alliance members in order to make as much information as possible available to non-nuclear member-nations.

German metal union meets on strike ballot

FRANKFURT, Oct. 2.

THE EXECUTIVE Board of the West German metalworkers union was to decide to-night whether to call a strike ballot over the employers' refusal to accept an independent arbitrator's award for fringe benefits for 400,000 engineering workers in the Stuttgart area.

The employers argue that the additional benefit, including a five-minute recovery break in every hour for assembly line workers as well as a guaranteed minimum of 30 per cent. above the basic rate for piece workers, would add at least 25 per cent. to their wages bill.

They also fear that the Stuttgart award may create a precedent for all other areas in West Germany, involving 4.5m. workers, and that this would be additional to any wage award to be negotiated later this year.

The union, which has asked for slightly better terms, nevertheless accepted the arbitrator's award.

An official strike could be called only if 75 per cent. of those taking part vote in favour. However the mood in the area, as illustrated by several token strikes in the past few days, seems fairly militant.

Participation is the fashionable word in industry. The two leading French newspapers have it. Giles Merritt reports from Paris

Divine right of publishers under fire

LORD COPPER very definitely would not have liked it. Had Evelyn Waugh's celebrated newspaper proprietor been running not the Daily Beast but instead Le Monde or Le Figaro, there would have been no subservient henchmen to murmur "up to a point, Lord Copper" whenever the magnate ventured one of his less tenable theories.

For the two best-known French newspapers are working examples of participation. Journalists take an active part in the direction of both, while their administrative structures are designed to make it impossible for management to exert undue influence over editorial content or appointments.

Currently the importance of the Monde and Figaro experiments is being emphasised by the sad spectacle of yet another French paper being threatened with extinction, even though it is not profitable, and by the topicality of the entire issue of worker participation in industrial management.

LE FIGARO

With the Government now determined to push through legislation by early 1974 giving workers a voice in the boardrooms of all major quoted companies, opposition has emerged in the form of a rare and unlikely alliance between employers and trade unions. Both are opposed to any erosion of their traditional influence, although neither is likely to get much support for its views from the two top daily Paris newspapers, which together make up France's only claim to a serious national press.

The "presse de la libération" licensed by General de Gaulle in 1944, when Free French leaders and Resistance figures were put in charge of a new, "purged"

industry, consisted of 32 major Paris papers and 220 in the provinces. To-day the figures are 10 and 60 respectively. Government subsidies to the industry now amount to more than £30m. a year. Dailies with a circulation of under 120,000 qualify for substantial cash subsidies, though in return they must carry the State's public service advertising campaigns free of charge whenever required.

Unlike the State-controlled ORTF broadcasting service—very much its master's voice—the Press is far from controlled. But those allied papers that absorb most of the subsidies are rarely disrespectful. At the opposite end of the spectrum are those controlled and financed by political parties, like the Communist Humanité or the Gaullist Nation which are rarely objective.

In the middle is the great bulk of a highly profitable magazine industry, much of it controlled by companies like Hachette—a publishing empire so huge that it is currently under investigation by the Common Market Commission's anti-trust division. Hachette also owns the big selling evening newspaper, France-Soir, as well as the financial weekly La Vie Française which now faces extinction as the result of a tortuous financial merger deal.

Hachette has made with another business paper called L'Opinion. No one has disputed the Hachette empire's right to make what deals it likes, even though the one in question quickly resulted in strike action when the 50-odd La Vie Française journalists discovered that the terms of the transaction strongly threatened the redundancy agreement made in good faith with the paper's previous owners, the Didier-Lambert family.

As a result, the Le Monde and Figaro participation systems are no longer seen as exceptional, financial Temps, whose imposing

premises near the Opera it still occupies. The difference, however, was that its shareholders sought neither financial nor political return. By 1951 a special settlement involved founding a journalists' trust company with a been set up to hold a blocking parcel of 28 per cent. of Le Monde's shares. In March 1966—"not May, mark you," comments M. Fauvet—this was pushed up to 40 per cent., giving all employees a total 40 per cent. ownership.

The same year also saw the establishment of a new Surveillance Council, presided over by a journalist, which meets four times yearly and is empowered to discuss the newspaper's management decisions. Employees are voted on to these various councils by their colleagues, just as M. Fauvet's top job in French journalism is also the result of votes cast inside Le Monde. According to the Le Monde chief it is a thoroughly workable system which has encouraged mature give-and-take between management and employees.

But then it is the product of a situation where from the start Le Monde's founder, M. Hubert Beuve-Méry, aimed for a near-Utopian system. Not even the most ardent admirers of M. Jean Prouvost, owner of Le Figaro, would say the same of him. Le Figaro's participation system is the product of the most bitter strike in French journalism since the war—including those where militantly Communist printing unions have been involved. It began in 1968 and was not settled until March, 1971, when M. Prouvost finally backed down and gave the paper's journalists an effective blocking power in the event of disagreement.

It was the journalists' contention that M. Prouvost, who now has 97 per cent. control of Le Figaro, was interfering with editorial freedom that triggered off the dispute. For nearly two

Le Monde

Anyone studying the ways in which the two most prestigious French newspapers arrived at participation may find it hard to draw a moral. Both got there at different times and by following very different routes. The common denominator was that both systems protect editorial freedom and give journalists an important say in deciding policy.

Last month, for instance, the 30 journalists and senior editors who make up Le Monde's Editorial Council held their regular monthly meeting with the Editor-Director, M. Jacques Fauvet. Between them, they thrashed out Le Monde's standpoint on the controversial abortion issue and discussed internal appointments and demarcation problems. To British eyes it is remarkable that the editor of a top-ranking national daily should have to share these prerogatives. To French eyes it is even more remarkable that the proprietors should make such a concession.

Le Monde

But then Le Monde is a very unusual newspaper. M. Fauvet once described it as: "Austere, even rather gloomy. A bit like Truth." Along with so many others it started life in late 1944, the direct successor to the influential Temps, whose imposing

years France's leading morning daily newspaper was run by a court-appointed administrator while the row dragged on. The settlement involved founding a journalists' trust company with a been set up to hold a blocking parcel of 28 per cent. of Le Monde's shares. In March 1966—"not May, mark you," comments M. Fauvet—this was pushed up to 40 per cent., giving all employees a total 40 per cent. ownership.

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LE FIGARO

However contrasting the means by which the two newspapers arrived at participation, at least they got there. The rest of the industry is clearly not made of such strong stuff. No other Hachette-employed journalists—not even those of the empire's dynamic new Le Point weekly newsmagazine—expressed support for their colleagues at La Vie Française.

But next year, when the Government's participation Bill becomes law, as much as a third of Hachette's senior administration Board will have to come from the print floor or the newsroom. It is a development which could either still the few dissenting voices now making themselves heard, or it could start the snowball rolling.

STATEMENTS—continued

SOUTHERN KINTA SOLIDATED LIMITED HER EARNINGS—CURRENT OSPECTS FAVOURABLE

Annual General Meeting will be held on 7, 1973, at 55-61, Moor, on, E.C.C.

wing is the Statement of the Chairman, Sir Douglas C.R.E., which has been dated with the Report for the year ended 1972.

on by your Company's 184 tons or 7 per cent. than in the previous result of lower yields from area, not fully of by slightly higher

either two Malaysian t Takuapa in Thailand for the six months the plant was in was approximately e results for the whole r to March 31, 1972. e daily tin price on t market was \$625 per unt \$630 in the ine previous period

it of the flotation of on June 23, 1972 costs ations in the context mpany's operations in t Asia are no longer l if expressed in d the Malaysian dollar incely been substituted in the general report. As a matter of e total operating shut-overhead expenditure a was only marginally n in the previous year, increases in costs are experienced there as t the general upsurge prices.

The Accounts fit for the year before was slightly greater at than last year, before in account surplus on Buffer Stock which was uring item of revenue

The balance available hution after taxation, al relief, and including e brought in from last t 11,778,328. Dividends and paid will account 40, leaving 1682,395 to d forward. The final recommended will be under the new tax impu-tem and for comparison the total gross distribu-olvement amount to 8,464 r share against 9,375 1972.

ear I mentioned that ts in the accounts due ment of currencies had t with through the Com-erserves, and a similar has been followed on- ion. It is perhaps rele-unt out that the some- liquid sums shown in ice Sheet under Current present funds required equivalent liabilities, as and in the prevailing mces provide a welcome to the Company's t current interest rates.

Recovery Performance Encouraging referred earlier to the f operations at Takuapa ot upon the modifica-nt the plant which were out during the south- onson season April- 1972. These have been

most encouraging so far as the recovery performance of the unit is concerned and represent a marked improvement in efficiency. It has been con- tinually stressed that the whole operation is in a sense a pioneer venture, particularly owing to the nature of the tin deposit on the sea bed in this vicinity.

Further drilling is being carried out when weather conditions are favourable, as a guide to the management in planning future operations. As far as we can foresee and depending on the tin price there should be sufficient payable ground for this unit to work in the Company's own leases and in the Bang Muang tribute area for the best part of ten years. Excluded from this projection are the shallow areas containing substantial recoverable reserves which, as I have explained previously, can only be worked with a different type of plant.

Export Control Situation Shareholders were notified at the time of the issue of the quarterly output and results card in May last that export control had been introduced under the International Tin Agreement with effect from January 19, 1973, but this has not as yet affected the operation of your Company's dredges.

Recently, however, the conditions which prompted the imposition of control, one of which was destocking of tin by consumers and consequent accumulation of quantities of the metal by the manager of the Buffer Pool, have been completely reversed owing to the uncertainty of international exchange rates. A meeting of The International Tin Council is due to be held at about the same time as this statement will go to press but in view of various imponderables any useful comment on the situation would best be postponed until the date of the Annual General Meeting of your Company if the situation is any clearer by that time.

Good Results Anticipated Current prospects appear to be reasonably favourable subject to uncertainties in the tin market which are likely to remain so long as policies relating to the release of tin from the U.S. stockpile are subject to continuous change. Production recorded by your Company's plants for the first five months is up compared with the corresponding period last year and the average tin price on the Penang market has been higher.

Unless adverse conditions outside our control develop in the meantime we ought to be able to show good results for the year to March 31 next.

In conclusion I would express the appreciation of your Board of the efficient services of management, staff and labour upon which we are dependent for the success of our operations.

Various problems and questions of policy arise from time to time which can best be discussed in situ and a visit by Mr. Mitchell and Mr. Dunne whom I joined earlier in the year proved, I think, to be a useful one.

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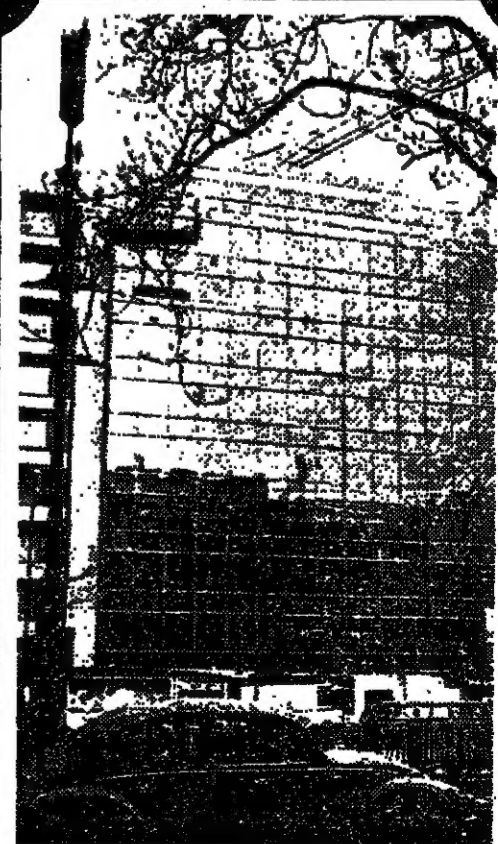
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Advice on how to use oil properly is every bit as important as the oil itself.

Which is why Amoco's representatives are all engineers. The sort of people who can tell an oil user whether or not he can cut down on oil needs without cutting down on production.

It might be as simple as switching burners, or testing calorific values in search of more cost effective fuels.

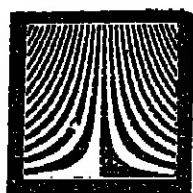
If Amoco's representatives can't save you oil, they'll try to save you money in other ways. Perhaps a new supply arrangement will let you take advantage of cheaper, quicker deliveries.

Admittedly, advice is just one important part of the oil business. But if you'd like to get the most out of the oil you buy, maybe you should talk to the people who know how to get the most out of the oil they sell.

Amoco (UK) Ltd., 1 Olympic Way,
Wembley, Middlesex HA9 0ND.
Tel: 01-902 8820.



It could pay you to meet us.



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETERS

● POLLUTION

No penalty for clean car exhaust

PERFECTION in all things mechanical can be bad, at a cost and this is nowhere more true than in the automotive industry, particularly with swingeing legislation on pollution hanging over domestic builders and exporters to America.

One of the elements of added cost has, of course, been the much more complex exhaust systems needed to cope with combustion of carbon monoxide and virtual elimination of unburnt hydrocarbons and oxides of nitrogen.

Heavy spending

Translated into refinery cost figures, both for the extra capacity and the alterations in processing techniques the lead-in move works out at not far short of \$500m, rising to three times as much if, eventually, all lead is removed from petrol.

If the whole of Europe went this way—which is not yet on the cards—the extra refinery cost could be well over the \$2,000m mark and the extra petrol cost to consumers possibly as much as 30m, ton a year.

However, we are not there yet and there are some hopeful developments in hand. The most encouraging of these is the belief by the Questor Corporation that it can meet the stringent requirements of the 1976 norms of the U.S. Environmental Protection Agency—norms which are so tough that they already have been put back a year—without any fuel penalty at all.

Even more significant is the fact that the company is achieving this on one of the Nissan cars—that is a unit with a much smaller engine than the run of U.S. models.

Questor's president, Mr. P. M. Grieve, told the Financial Times yesterday that the car had been sent to Japan for extensive testing of the mark three device in the company's Reverter pollution control range of equipment.

Patents are pending on the Reverter principle in many countries. It has the attraction that no noble metal catalysts are

required, being built up from stainless steel materials. It works with both leaded and non-leaded petrols and that at temperatures already well down from the very high values associated with some of the early "after-burner" devices.

The latest version of the Reverter has been "shrunk" by putting its two principal components one inside the other, thus compensating for the smaller amount of room around the engine of the "compact" car.

Questor is planning major new developments in Europe which include a 2,000 square metre plant in Spain to produce exhaust systems at Granada.

About half the company's \$350m, net sales in 1972 represented automotive equipment. For 1973 its European operation is projected to earn \$22m, which should grow to \$32m in 1975.

● DATA PROCESSING

Overseas network problems

THE TEMPORARY permission given to London University's Institute of Computer Science to operate its link to the U.S. ARPA network has now lapsed, and it is not known when the link will be restored.

The permission given was to enable the Institute to run demonstrations during the recent NATO Computer Communications Networks Study Institute held at Sussex University.

The case of the London link throws up a problem which politicians are going to have to grapple with. Rules by which common carriers work make it necessary for national boundary crossing networks to obtain permission from all the carriers used to extend the network. In theory, this should be done every time a new terminal is added, though in practice no one goes that far.

In the case of the London link the presumption is that all other ARPA net users have agreed and permission has been obtained from (among others) the PO, AT&T, and the Norwegian PTT. For the route in from London to Norway and then via satellite to the U.S. It is the last of these which would only grant temporary permission and seems to be holding up.

The work of ARPA and some of the other creators of networks indeed seems likely to cause chaos within international communications. The complex agreements that exist between carriers are upset and there is some suspicion that ARPA in Washington is designing some of its research operations so as to cause the maximum amount of embarrassment all round to the common carriers by showing up the anomalies and absurdities of the "common carrier" position within the international traffic situation.

The problem is that the carriers have grown up and grown fat on the provision of circuits based on voice channels and multiples of voice channels, in which any working on the material carried is done by the carrier. They talk of this as their "common carrier obligation."

The new networks such as ARPA or the embryo French "Cyclades" and the satellite experiments now being carried out by ARPA and AMSAT indicate that what many users want is to switch their own data about, using common carrier basic facilities, and transform the data themselves. This is now known as "value added working" and the point is that the "added value" goes to the network operator, or

is shared by the users and does not generate extra traffic revenue for the carrier.

Thus in the case of Cyclades, the major use will be the remote access of shared databases.

Big gas from coal project

THE WORLD'S first commercial-scale substitute natural gas plant to use coal as a feedstock has just come on stream at the Westfield works of Scottish Gas. Built by Woodall-Duckham—the process plant contracting division of Babcock and Wilcox—it will be used to demonstrate the commercial feasibility of the process.

Financed by a group of American companies, the project is being managed by a subsidiary of the Continental Oil Company in association with the Scottish Region of the British Gas Corporation. Process design was carried out by Continental Oil and British gas experts, while Woodall-Duckham carried out detailed mechanical design and construction. In the U.S., the American Gas Association is spending some \$30m to prove analogous processes.

Woodall-Duckham took less than 13 months to complete the

This will be for the French administration and involves transformation, even though for public purposes no one will say so in public. The carriers are not at all happy about these private networks, for they make it possible for one subscriber to them to pass round his particular service to other network subscribers and thus deprive the PTT's of traffic.

contract—an unusually short period for a project of this size. Using coal gas with a low heat value from an existing Lurgi gasifier, the new plant can upgrade the gas to the high heat content of natural gas; a methanation process introduces the essential burning characteristics. The process has hitherto only been achieved on a small scale under laboratory conditions.

Once thoroughly evaluated, the project is expected to provide a technological key to the exploitation of America's vast coal resources. Total cost of the whole programme is expected to be in the region of \$60m. The new process could form the basis of several massive plants currently being considered in the U.S. for the end of the 1970s and intended to provide a more reasonable write-down for the country's network of pipelines.

● CONSTRUCTION

Recruit for Dutch group

THE BELGIAN construction firm of Aquavia NV, Gent, recently announced that it is recruiting a member company of the Rotterdam-based Royal Adriaan Volker Group, the Dutch contractor which has specialised in dredging and land reclamation, pipelines, civil engineering and marine construction.

Aquavia has added its name to the list of companies of the group which operates from South America, Africa and Australia to Europe.

By joining the group, Aquavia hopes to achieve a wider operating field in pipe laying. With an annual turnover of more than £3m, the company has worked for many years in Belgium in joint ventures with Visser and van der Pijl, the Netherlands, also a member of the group.

Thus, close co-operation has existed for some time and Aquavia will continue to function as an independent company within the group. Its 250 employees will be unaffected by the change.

● COMMUNICATIONS

Power from the telephone

BACK IN the summer it was announced that the Post Office was to permit attachments to the telephone to be operated by the nominal 50 V dc supply available at all telephone instruments. How and when this would be allowed was not decided then, but it was evident that pressure was growing from the telecommunications and computer industries for this to be allowed purely on the basis of customer convenience in using, for example, simple data sending systems in communication with a computer, over a telephone line.

The Post Office has now announced that as from July 1, 1974, what are described as "certain attachments will be permitted to draw their activation power from Post Office systems exchange lines or private branch exchange extensions."

The Corporation has at the same time revealed the requirements and conditions to be applied to such devices in addition to existing requirements for self-powered attachments to lines that might affect the

public switched telephone network.

There are 10 conditions, complete details of which can be obtained by applying to Post Office Telecommunications Headquarters, 51, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35, 37, 39, 41, 43, 45, 47, 49, 51, 53, 55, 57, 59, 61, 63, 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87, 89, 91, 93, 95, 97, 99, 101, 103, 105, 107, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 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The Managing Director of Avis would like a word with his staff.



As of now, every one of you who meets an Avis customer will be wearing this new button.

It represents the new effort I am asking you to make to surpass our old button, 'We try harder.'

I want our new Avis philosophy to be, 'We can never try hard enough.'

To my staff on the counters.

You have always, I know, greeted customers with a smile and tried to get them a car as fast as you can.

I have a letter from one client who says he picked up his Hillman in under 60 seconds.

This, I appreciate, is exceptional (also he was a member of our Executive Service scheme).

But I would like to be able to promise all Avis customers you can get them on their way in 10 minutes or less.

To my maintenance staff.

You check every Avis Hillman (or other make) 43 different ways before it goes out on rent. And you do it well.

I want to promise customers that if they find certain faults with their cars Avis will reimburse them by giving extra Green Shield stamps.

Naturally Avis prefers not to give away these extra stamps, (it costs us money and means the customer has been disappointed).

Please make it easy for me to make this promise.

To my mechanics.

Extra vigilance may mean that you get Avis cars to repair that have only trivial defects. Tightening a screw on a rear view mirror for example.

Please do not lose patience with these repairs.

Remember it means that the customer ends up with a car as near to perfect as Avis can make it.

To my reservation staff.

You might easily be the first Avis person a new customer speaks to.

You realise then how important you are.

I would like to tell customers that if they ring Avis, and you don't answer after 5 rings, they call someone else (you know who!).

To my managers.

Much of the success of this new effort will depend on your efforts. I know some of you have got out of bed at three o'clock in the morning to rescue an Avis customer in difficulties.

However much you have done in the past to see our customers get true Avis service, may I say one thing.

Enough is not enough.

David Longridge

David Longridge

The Stern Holdings Group

Formed in 1971 as a sizeable property and investment organisation, the Stern Holdings Group has grown steadily in the short time since then and we would like you to know more about us.

While the mainstay of the Group is still property investment our range of interests now covers Life Insurance, Merchant Banking, Construction, Hotel Development, and Printing and Publishing - through companies respected in their different fields.

The vast majority of the Group's property investments and developments are situated in the United Kingdom but as we have grown, our geographical spread now extends to France, Eire, Belgium, Holland, Denmark, Italy, Israel and the United States of America.

All the companies in the Group are proving successful in their different activities - some well known names are shown here.

These are all companies which, while retaining freedom of action, receive the full benefit of the Group's financial, technical and marketing resources to assist in their own individual growth.

The Stern Holdings Group
58 Albert Court
Prince Consort Road London SW7 2BN

مركز للاستثمار

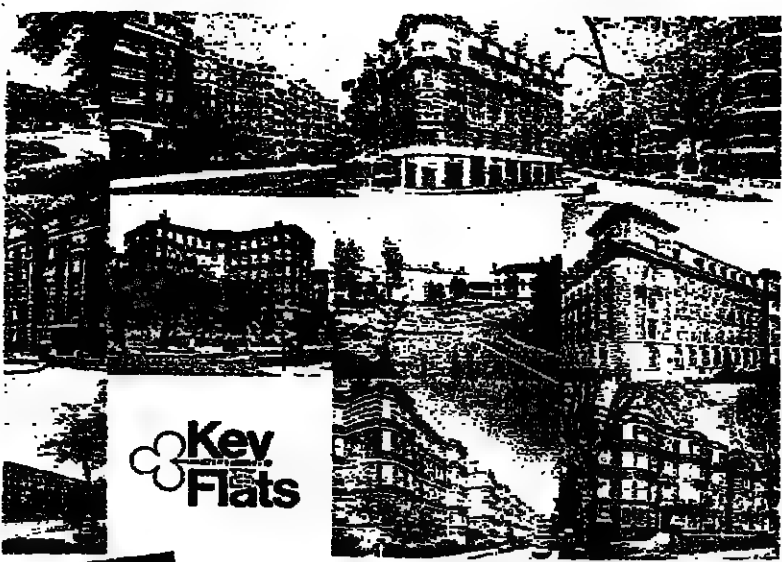
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Key Flats

For companies, industries or individuals seeking good quality accommodation in central London - Key Flats is an automatic choice.

Key Flats have been one of London's leading residential landlords for many years.

The Company has been associated with the renting of high flats in the prime areas of London since 1900.

88 Albert Court Prince Consort Road London SW7 2BN



A member Company of the Stern Holdings Group



Nation Life Insurance Company Limited has almost half a century's experience in the Insurance business.

We have a full range of Life Assurance policies including Unit linked contracts, annuities, growth and income bonds.

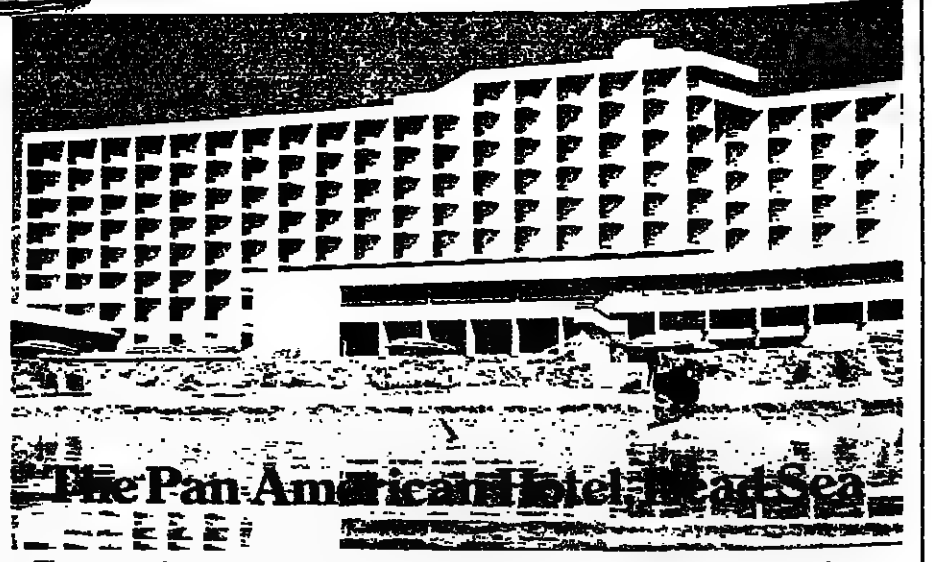
The aggregate of all Life funds is some £13 million.

The Nation Property Bond, controlled through Nation Life Insurance, is well known. The Bond's success can be judged by the unit growth of 12.88% during July 1972 - July 1973 with an average unit growth over four years never less than 11% per annum (basic income tax paid).

Nation Life Insurance Co Ltd
Nation House Teddington Middlesex



A member Company of the Stern Holdings Group



The Pan American Hotel Dead Sea

The recently opened 230 room Pan American Hotel offers its guests the ultimate in luxurious accommodation.

Apart from the facilities you would expect at a five star hotel, the Pan American also has an extensive Health section - taking advantage of the Dead Sea's health giving properties.

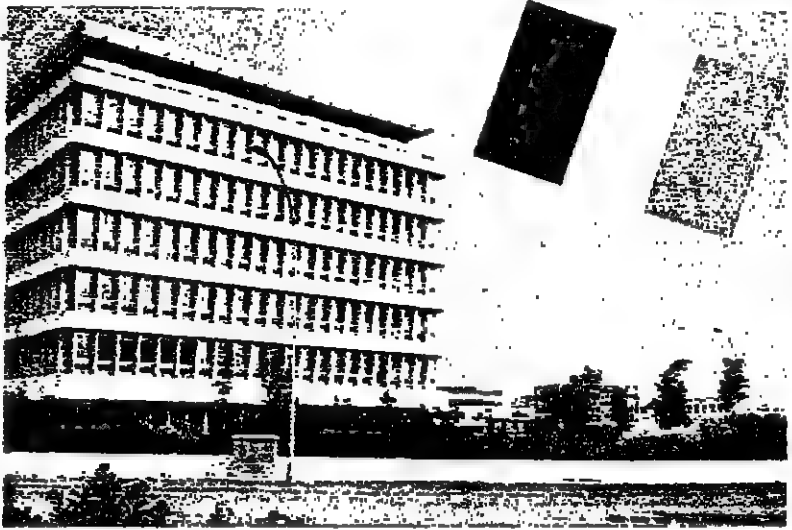
The company also operates the 280 room Pan American hotel on the shores of Bat Yam.

Both hotels were constructed by Pan Lon Building and Engineering, one of Israel's largest privately owned residential building companies.

Pan Lon Building and Engineering Co Ltd 21st Floor Shalom Mayer Tower Tel Aviv Israel



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The French connection

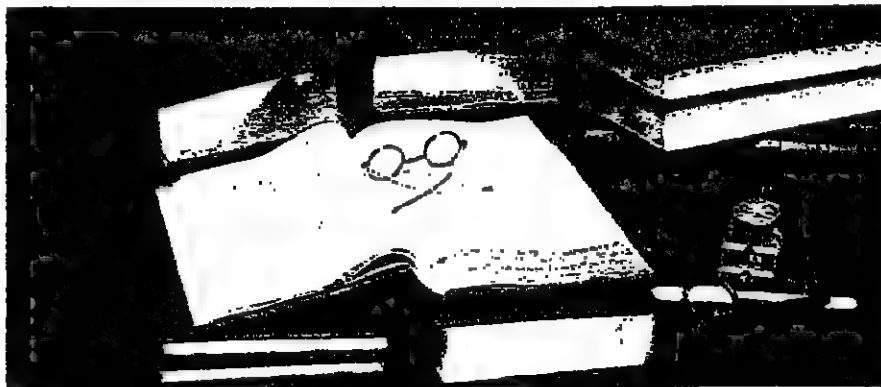
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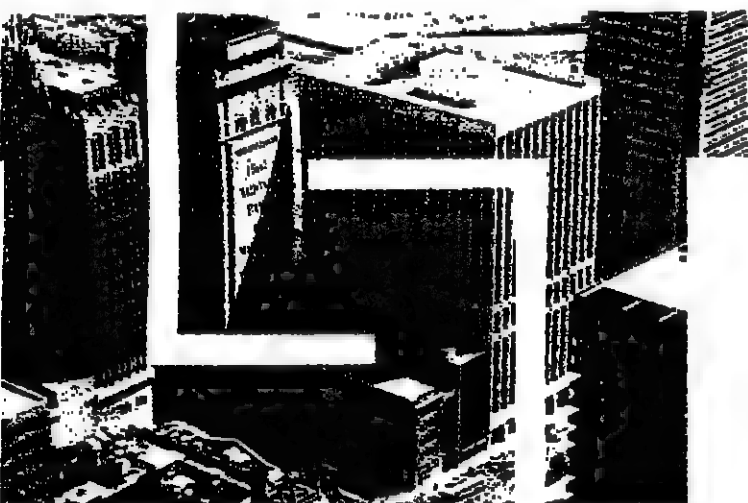


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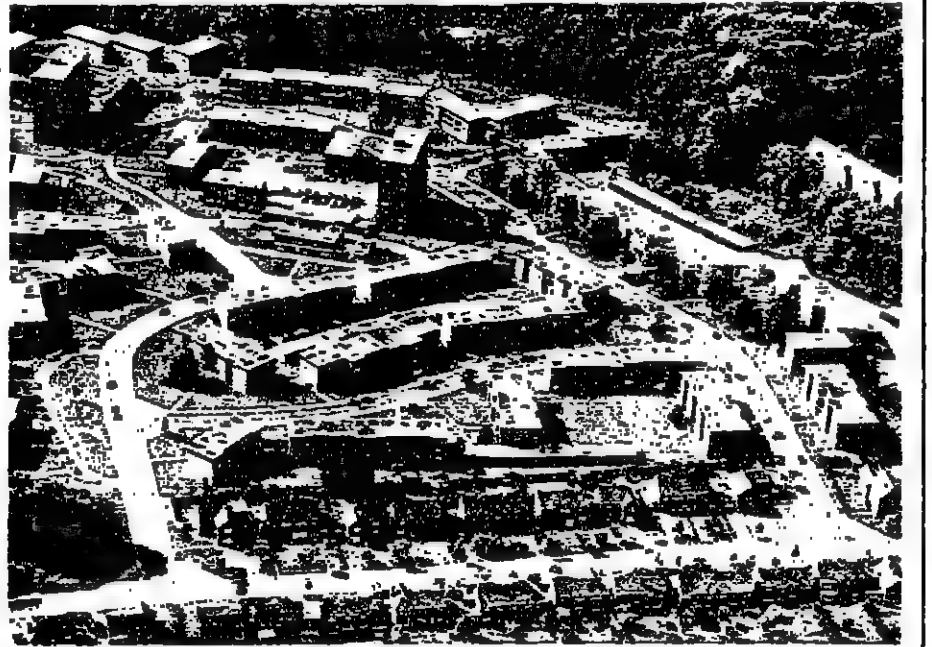
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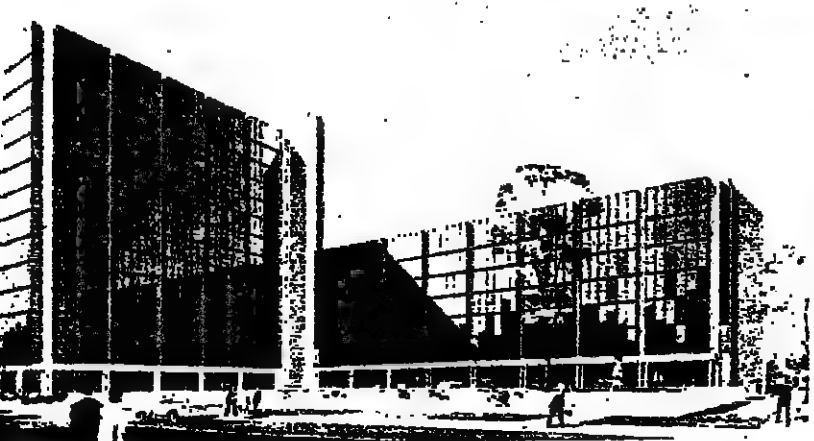
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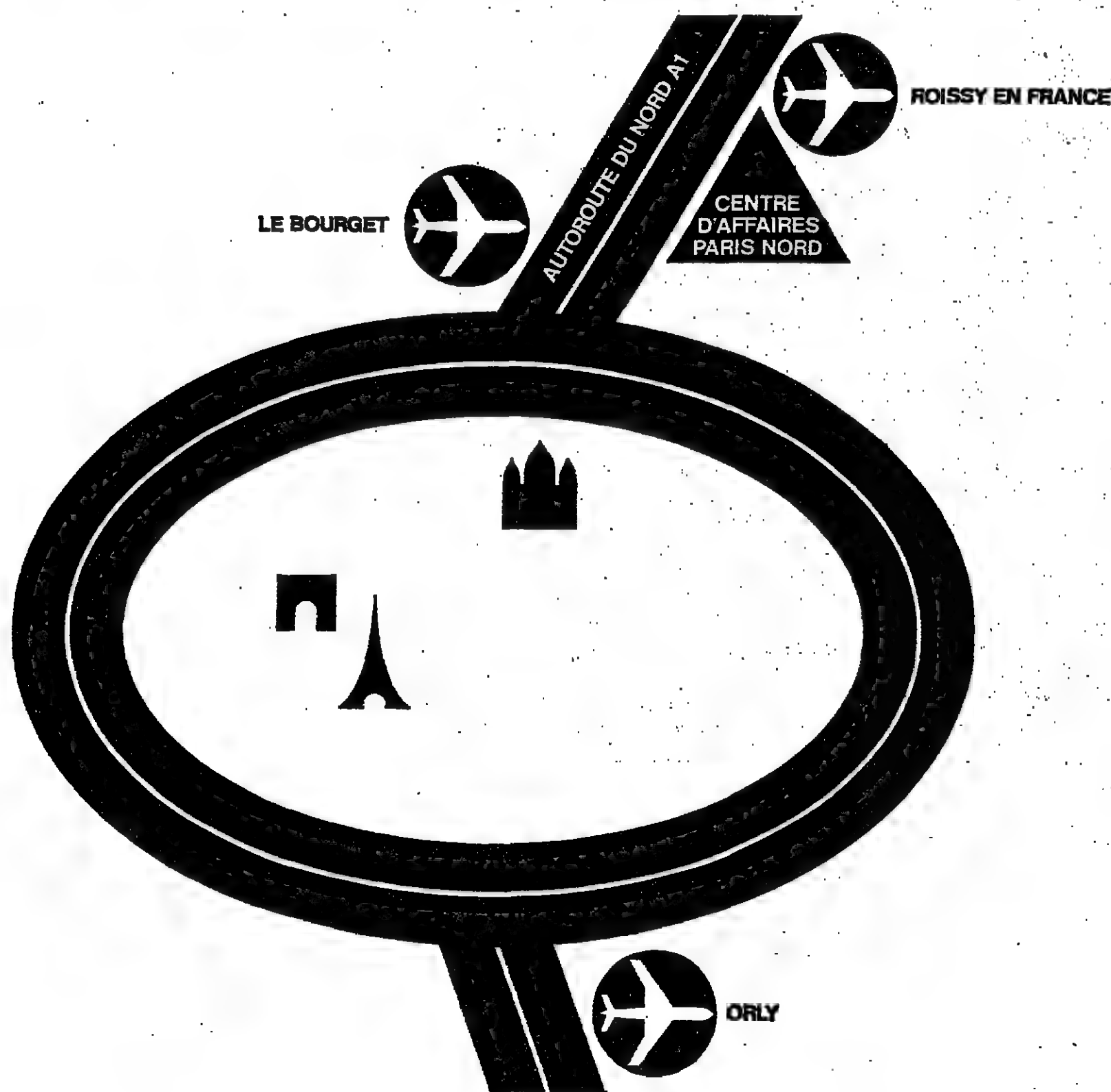
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Call to develop regional airports, not Maplin

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MUCH GREATER development of a carefully selected number of regional airports, rather than spending nearly £1,000m. on Maplin, is urged by the Association of British Chambers of Commerce.

It suggests in a new report on airports policy that the Government's plan to build a third London airport, either at Maplin or anywhere else, should not be the first priority. Such a development would worsen the existing over-concentration of air traffic in the South-East.

It argues there are far more urgent requirements elsewhere, and that in general the Government should be seeking to strengthen effective scheduled air services for the country as a whole.

This should be done, in the

Association's view, by deciding on a carefully-spaced network of major airports in the regions, and encouraging operators to concentrate scheduled flights at them.

"The breathing space made possible by increasing aircraft size," it argues, "should be seized as an opportunity to rationalise and encourage airport development elsewhere in the U.K."

Competing

"By comparison with, say, West Germany, the average British businessman or traveller living outside the South-East is insufficiently provided with air transport facilities. This deficiency has a bearing on attempts to foster economic growth in the regions."

It accepts, however, that there

are too many airports outside London competing with one another for higher status, and that until a strategic selection is made, nowhere will compete effectively with Heathrow.

Outside the South-East, there are two main areas where inter-continental air services might be concentrated—Northern England and Scotland. "The first of these is the country's highest priority, not Maplin, and should be conceived as capable of competing with Heathrow on the majority of services."

The Association gives first preference to enlarging Manchester Airport, and equipping it with comprehensive surface access facilities especially from the other major cities of the north. If Manchester proves incapable of filling the role it might be preferable to seek an

entirely new "greenfield" site. In Scotland, the Association's first preference is for development of Abbotsinch at Glasgow, provided it is permitted the necessary runway extensions and is equipped with appropriate surface transport access.

Beyond these, three other regions it says, already merit better airports than they have—the Midlands, the North-East and Severnside.

Problem

The Association itself does not express a preference for a Midlands airport, either Birmingham or the existing East Midlands airport being likely to fulfil a long-term role as a centre for international air services. It recommends that another authority, such as the Civil

Aviation Authority, should study that aspect of the problem within the context of a national airports plan.

For the North-East, however, it nominates Teesside as the Continental airport for the region, despite its currently small volume of traffic.

The airport is well placed between the estuary conurbation and Darlington, it already has an integral railway station, and fits in well with the motorway and trunk road network built and planned for the region.

So far as Severnside is concerned, the Association feels that consideration ought to be given to creation of a new airport on land reclaimed from the Severn estuary, serving both Bristol and the South Wales industrial region.

"Like Maplin, construction of

the Severnside airport would involve dredging in-fill from sandbanks. In so doing, the Usk-mouth approach channel would be deepened and this would make possible a maritime bulk carrier activity, feeding an enlarged Llanwrn steelworks or other major industrial development.

"By comparison with Maplin, the volume of in-fill would be less and the civil engineering task substantially cheaper."

The report is being sent to Mr. Michael Heseltine, Aerospace Minister, Mr. Geoffrey Rippon, Secretary for the Environment, and Lord Boyd-Carpenter, chairman of the Civil Aviation Authority.

A National Plan for Airports, Chamber of Commerce Publications, 68, Queen Street, London, E.C.4.

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NEWS ANALYSIS

Phase Three—and a pay problem in the china clay industry

BY NOEL HOWELL, LABOUR REPORTER

PUBLICATION of the Government's Phase Three proposals—and the scope allowed to productivity bargaining—will be received with particular interest in St Austell, Cornwall.

The china clay industry—based on the town—has already fallen foul of the quite strict limits imposed on long-term productivity payments under Phase Two.

China clay employers have recently failed to persuade the Employment Secretary to set a precedent and over-rule a Pay Board order prohibiting extra productivity and profit-linked increases above the £1 plus 4 per cent. limit.

Employers' move

With Cornish feelings running high, the employers are now seeking to take up the matter with the Prime Minister and are also busily consulting their lawyers.

The Government is anxious not to allow productivity rules to become so loose as to permit "phony" deals. But in mid-Cornwall the future of a five-year experiment in pay bargaining and improved worker-employer relationships may well depend on the flexibility of Phase Three.

In an area where the economy is heavily dependent on china clay, the industry—which has had only two major strikes in 60 years—developed agreements

between 1968 and 1970 which it sees as creating a new "work culture."

Pay negotiations were arranged to await the publication of the companies' annual profit figures, overtime payments have been abolished, unions given access to a wider range of information and demarcation lines eliminated.

The unions also accepted pay restraint and 380 redundancies when the industry was facing a recession—accepting 5½ per cent. pay increases in 1971 and 7½ per cent. pay increases in 1972.

With English China Clay—the biggest company in the industry—turning in a record £14.2m. pre-tax group profit for the financial year ended September 30, 1972, the scene would have been set for a major pay rise this month.

Flexibility

In the event, a 15 per cent. package was agreed, but this ran up against Phase Two rules. The flexibility of the china clay agreement, providing for joint pay reviews to take place immediately after profit figures are available early in the New Year, did not meet the Pay Code requirements.

The Code exempts from the £1 plus 4 per cent. limit only those long term productivity deals which before last November's freeze clearly spelled out the cash increases due or the

precise details of calculating the increases.

So the china clay employers paid £1 plus 4 per cent. rises to more than 8,000 workers in April—worth £1.87 to £2.03 a week with higher increases for shift workers.

Then began the long argument to try to win the go-ahead for the remainder of the increase worth between £2.38 and £3 a week. Eventually the 14 china clay companies—nine owned by English China Clay—started paying the additional increases in August, backdated to April, but were stopped by a Pay Board order at the end of August.

Apart from any opportunities under Phase Three, the china clay employers—happy with an agreement which provides for self-financing increases and has brought a narrowing of pay differentials, flexibility of labour and pay restraint in hard times—have still not given up the fight under Phase Two.

"We have got a good case and we want to see justice done," says Mr. Alan Dalton, deputy chairman of English China Clay, which says that productivity is now 17 per cent. up on last year.

Among the unions the strongest reactions have come from the Transport and General Workers' Union, with almost half the labour force in its membership.

There is some pressure on local TGWU leaders to call industrial action, but greater

pressure to revise or pull out of the current agreement altogether.

A clearer picture of the TGWU policy will emerge following meetings in Cornwall later this month although the union has been taking a national interest in the problem.

"With Government legislation as we see it, our wages are more controlled than anybody else's in this country," said Mr. Ivan Lean, the TGWU's new St. Austell district officer.

Among the craft unions—the engineers, electricians and builders—there is a greater determination to try to preserve the agreement which has given a fixed weekly wage of between £26 and £40 a week as well as extra fringe benefits.

Profit level

The china clay problem over Government policy may be compounded when negotiations begin on the next agreement early next year. Profits are expected to be at a new record level, and the unions are seeking a 35-hour week while even a more flexible Phase Three is not likely to allow the china clay workers to recoup all their lost

rise. "It is impossible for this productivity agreement to exist under Government legislation," said one TGWU shop steward.

At English China Clay, Mr. Dalton said: "It is still a good

agreement, and I would fight to preserve it. But we will have to persuade people that in the long run responsibility will pay."

Libel damages awarded to John Snow

TEST CRICKETER John Snow has received an apology and damages for libel in a newspaper article, a High Court judge was told yesterday. He accordingly did not proceed with his action against the Southern Publishing Company, publishers of the Brighton Evening Argus, and Mr. John Vinicombe, who wrote the article combined in an issue of August 12, 1971.

Under the heading "Another Feud in the Sussex Camp? The Man who didn't clap Tony Greig," it was suggested that Mr. Snow had been guilty of unsportsmanlike behaviour on the field, and that he and Tony Greig were at odds with each other, said Mr. John Phillips, for Mr. Snow.

The suggestions were totally unfounded, he added. The defendants had recognised their error, apologised to Mr. Snow and paid a sum into court as damages for the distress caused to Mr. Snow, who had accepted the sum.

Standard and Chartered gives NUBE sole rights

BY NOEL HOWELL, LABOUR REPORTER

A FORMAL agreement giving the Standard and Chartered Bank sole bargaining rights at the U.K.-based staff of the banking group in London, Liverpool, Manchester and Birmingham.

The agreement covers 1900 employees was signed yesterday. The agreement covers 1900 employees was signed yesterday.

NUBE yesterday welcomed the deal as a "highly significant development" and is hoping it will help the union's campaign to win recognition in a number of London branches of international banks.

The union already faces competition in international banks from the Association of Scientific

At the Standard and Chartered group NUBE recognition following a staff ballot conducted by the Industrial Society earlier this year, which showed a majority in favour of union representation and a clear preference for NUBE over ASTMS.

Yesterday's agreement gives NUBE the right to negotiate on pay, job evaluation, hours and holidays. Standard and Chartered had not recognised a union before, and pay has been largely determined by the com-

pany through an annual ballot. ASTMS has set up a party to look into pay actions in the clearing banks.

Current thinking within the union suggests that the party is likely to urge the clearing banks to accept a current staff shortage in and some other big changes, and better paid.

A ballot on a proposed between ASTMS and the Bank Staff Association would bring ASTMS into clearing banks, is due to next month.

Equal pay step averts white collar strike

BY OUR LABOUR STAFF

WHITE COLLAR workers at Mather and Platt, Manchester, yesterday called off their threatened strike over equal pay due to start this morning.

The 800 staff accepted at a mass meeting a management offer to close the male-female wage differential by one-third as a step towards equal pay.

The management also agreed at last-hour talks to redistribute a Phase Two £1 plus 4 per cent. wage increase in line with the wishes of the staff union, the Association of Professional Executive Clerical and Computer

Staff. Union officials yesterday recommended acceptance. Seven days' strike notice submitted after union-management talks broke down last week was due to expire last night.

Mather and Platt management confirmed that the company had made the offer but stressed that over the last ten years it had closed the gap between male and female earnings.

APEX, the staff union, recently concluded an agreement with the GEC subsidiary Salford Electrical Instruments after an 11-week strike over a similar claim at the company's factories in Eccles and Heywood, Lancashire.

Walk-out by dockers hits QE2

OFFICERS and passengers of the QE2 helped carry yesterday when 2,000 So ton dockers walked out on mass meetings over standards.

The liner had arrived in New York after meeting trouble and was due to leave last night.

The dockers complain new carriers introduced the British Transport Board for moving containers were unsafe. Southampton docks Mr. Denis Noddings said the board did not agree with the dockers who were being

Overtime puts London PCs' pay up to £5,000

OVERWORKED CONSTABLES in the Metropolitan Police were earning £5,000 a year through overtime and rest day working, a senior officer said yesterday.

Chief Supt. John Thornton told the annual meeting of the Police Superintendents' Association of England and Wales, held in Bournemouth, that there were sergeants in London earning as much as superintendents.

Chief Supt. James Mahaffey added that traffic wardens earned more than some police officers in London.

They were speaking during a debate on a motion calling for higher pay for Metropolitan superintendents.

The motion was rejected by the 180 delegates after Supt. Harold Swarbrick (Dorset and Bournemouth) said it would be wrong to negotiate two separate rates of pay. The right rates were wanted for all.

The proposer, Supt. Kenneth Rivers (Metropolitan Police), who was promoted last year, said that as a chief inspector and a member of the Police Federation he had merely to perform an average duty of 42 hours a week to qualify for his basic salary.

On promotion, he had assumed a 24-hour responsibility and could not receive overtime allowances or temporary duty allowances. Consequently, his income dropped by around £1,300 a year "which was at that time equal to the basic starting pay of a PC."

Sir Arthur Peterson, Office permanent under secretary, referring to police power problems, told de they carried a "very responsibility."

Success depended a great on the strength and adapt of middle management. power had to be used as actively as possible.

Brewery men protest at expansion plan

MORE THAN 500 workers want on strike yes at Burton-on-Trent, Shire, and posed the three beer shortage in the Midlands.

Reg plant, tanker fill delivery employees work Allied Breweries are pro about the company's plan multi-million pound expansion Birmingham to increase production.

A spokesman for the Trade and General Workers Union yesterday that the strikers misgivings. Meetings would be arranged allow the company to a long-term policy more clear.

An Allied Breweries said that so far no beer had poured away although situation could become a if the stoppage continued if length of time.

Save our jobs—BSC men

BY JOHN WYLES, LABOUR STAFF

A DEPUTATION of 40 men from the British Steel Corporation's Shelton plant at Stoke-on-Trent lobbied delegates to the Labour Party conference here today in support of their campaign to save the works from partial closure with the loss of 2,000 jobs.

Later in a meeting with Mr. Eric Varley, Labour's shadow spokesman on steel, the workers pressed for a joint venture scheme between the BSC and

BLACKPOOL. On private enterprise. Shelton workers claim the investment of £5m. on arc furnaces would make plant a viable unit. "We care who we are making for as long as we are working," said Mr. Ted Smith, chairman of the workers' action committee.

Under its rationalisation programme, the BSC plans to steelmaking at Shelton by 1976.

Norwich busmen to strike

BY OUR OWN CORRESPONDENT

SIX HUNDRED BUSMEN plan to stage a one-day strike in Norwich tomorrow in protest at deteriorating working conditions caused by staff shortage.

Buses have had to be withdrawn from some services because of lack of maintenance staff and a spokesman for the men said: "We are embarrassed at having to leave regular

NORWICH. Our passengers behind because are not buses running." The stoppage will also services in Norfolk and schoolchildren who normally the buses have to find other of going to their schools.

A spokesman for the East Angles Bus Company said are making every effort to more maintenance staff but is a general labour shortage.

Loss of job should not stop driving ban—Judge

MAGISTRATES SHOULD not out of compassion, refrain from imposing a driving ban on breath-tested drivers merely because it would cost them their jobs, a High Court judge said yesterday.

Mr. Justice Bridge, said it was also wrong to excuse disqualification because, as in this case, the driver was an inexperienced drinker.

He had drunk only 2½ pints, a mixture of cider and milk stout, called "Black Velvet." But he had miscalculated its punch.

The Queen's Bench Divisional Court allowed a police appeal against the refusal of Morley (Yorks.) magistrates to disqualify Mr. Kenneth Batty of Eastwood Avenue, Meadow Lane, Wakefield, for driving when the alcohol in his blood was three milligrammes over the limit.

They ordered the case to be sent back to the magistrates — who fined Mr. Batty £25 — to ban

him from driving for not than 12 months.

Lord Widgery, the Lord Justice, said he sympathised Mr. Batty but there were special circumstances for no qualifying him.

"I think the moral of this is that magistrates who, on a sense of compassion toward a defendant, tend to strain the law, are, in fact, doing him a service," he said.

The court was not asked make any costs order against Batty.

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APPOINTMENTS

International Harvester of GB chairman

Mr. L. H. Weeks, managing director of INTERNATIONAL HARVESTER COMPANY OF GREAT BRITAIN, has been elected chairman.

Sir Harry Melville has been elected president of the PLASTICS INSTITUTE for 1973-1974. Professor D. W. Saunders, has been appointed chairman of council.

Mr. Brian Lowe has been appointed sales director of BMW CONCESSIONAIRES GB.

Mr. Kenneth Butcher, finance director of Tozer Kemistry and Millbourn (Holdings), has become chairman of TKM FOODS. Mr. R. W. Walling has been made managing director of TKM Foods and other Board members are Mr. D. C. Blackburn, Mr. R. O. A. Keel, Mr. J. O'Brien, Mr. G. K. Whalley, and Mr. G. Woodcock. Mr. Whalley succeeds Mr. Anderson and Collins.

Mr. Robert Houston has been appointed to the Board of RUBY OWEN HOLDINGS.

Mr. A. H. Bingham has been appointed an assistant director of HOWSON F. DEWITT AND SONS, part of the Devitt Langston and Dawney Day Group.

Mr. Lanelet Errington has been appointed Second Permanent Secretary of the DEPARTMENT OF HEALTH AND SOCIAL SECURITY from December 1. Mr. Errington will succeed Dame Margaret Hildesley, who will be retiring from the public service.

Dr. J. C. Chapman has been appointed technical director of GEORGE WIMPEY AND CO.

Lord Buckhurst, a director of the British Electric Traction Company, has been appointed chairman of RECLAMATION AND DISPOSAL, a subsidiary.

Mr. David Stevens has become managing director of DRAYTON PORTFOLIO MANAGEMENT and Mr. Robert Ledson and Mr. Mark Vaughan-Lee have been made executive directors. The company is a subsidiary of Drayton Corporation.

Mr. Michael Harvey has been appointed marketing director on the Board of STEINBERG AND SONS.

Mr. John Tweedie-Smith has been appointed joint managing director of E. H. MUNDY AND CO.

Mr. D. V. Rowles has been appointed managing director of REDMAN HEENAN FROUDE, in succession to Dr. Harry Fuchs who has left the company to return to the high technology industry. Mr. R. H. Teller has become managing director of FIELDING AND PLATT in place of Mr. Rowles, who remains a director and is appointed non-executive deputy chairman of that company. Mr. Teller and Mr. E. B. Gould have joined the Redman Heenan Limited executive Board.

The parent concern is REDMAN HEENAN INTERNATIONAL.

Mr. C. J. Jacobs has been appointed as sales and marketing director of GEO-ELLIOTT CONTROL VALVES.

Mr. R. D. E. Lovell has been appointed to the Board of LOVELL'S SHIPPING AND TRANSPORT GROUP as an additional non-executive director.

Mr. Cecil Gates has been appointed a vice-president and London manager, Far East, of the NORTH CAROLINA NATIONAL BANK, London Branch. Mr. Richard Foley, manager, financial control, Mr. Bernard A. Farlinger, manager, foreign exchange and money, and Mr. C. Ross Taylor, manager, exchange control, have been appointed vice-presidents.

Mr. Stanley Smith, at present the New York export marketing manager (containing board) of the INTERNATIONAL PAPER COMPANY is to become managing director of the London-based company on December 31.

Mr. Graeme Howard has been appointed senior partner of EARNSHAW HES AND SONS.

Mr. Charles Davies and Mr. John Harris have been appointed assistant director of the MIDLAND BANK FINANCE CORPORATION. Mr. Davies was formerly financial controller with Lloyds of London, and Mr. Harris was a financial services adviser with the Midland Bank Group financial services organisation.

Mr. David Rae Smith has become senior partner in DELOITTE AND CO., following the retirement of Mr. Robert McPhail.

Mr. J. P. Barlt, chairman of the executive Board of Delta-Lloyd Verzekeringsoep NV, has been appointed director of the COMMERCIAL UNION ASSURANCE COMPANY.

Mr. A. N. Marshall, deputy chairman and joint managing director of TAC CONSTRUCTION MATERIALS, a subsidiary of Turner and Newall, has retired after 27 years' service with the group.

Mr. Y. Lock, Mr. Millington and Mr. R. Saunders have been appointed to the Board of J. S. WRIGHT AND CO., a subsidiary of Ecom.

Mr. R. C. Mabson, a director of Websters Publications, has been appointed deputy managing director.

Mr. A. M. L. Tuckey has been appointed a director and managing director of BARRING BROTHERS AND CO. Mr. C. W. Akers, formerly a manager, has become a director and managing director.

Mr. Robert Foo has become financial director of Malaysian Motor and General. Mr. M. J. Whiston has been made managing director of Scott and English, with Mr. Tony Chai, Mr. Chan, and Mr. Lim Fook Cheong, financial director and director respectively. The companies are members of the MOTOR AND GENERAL UNDERWRITERS group.

Mr. M. J. W. Whitney and Mr. R. Fisher have been appointed to

the Board of Benjamin Priest and Sons Ltd., and Mr. T. C. S. Blockett has joined the Board of J. E. Woodall and Co. The parent concern is BENJAMIN PRIEST AND SONS (HOLDINGS).

Mr. Gordon Jackson has become chairman of GDB AUTOMATION in place of Mr. J. Stott, who has resigned from the Board. Mr. G. D. Broadfoot continues as managing director.

Mr. J. F. Taylor has been appointed deputy chairman of the agricultural division of BOOKER McCONNELL from January 1.

Mr. A. H. Farbo, managing director of WESTERN MINING CORPORATION has been elected vice-chairman and managing director.

Marshall of the Royal Air Force, Sir John Grandy, has resigned from the Board of BRITON STATE on taking up his appointment as Governor and Commander-in-Chief at Gibraltar.

Mr. J. B. Longbottom and Mr. E. E. Rasche of B. B. Kirk and Co. have been appointed to the Board of CHARLES HILL OF BRISTOL. Sir Wilfred Anson has retired from the Charles Hill Board.

Dr. Gerd Werninger, a member of the Board of management of Norddeutsche Landesbank Hannover, has been appointed a director of WELLS FARGO.

Mr. Andrew W. N. Gemmill has been appointed a director of CONSULTING PARTNERS.

Professor A. D. Campbell has been appointed chairman of the

Economic Development Committee for the Building and Civil Engineering Industries.

Mr. A. A. Crooks-Meredith has been appointed a director of TOUCHE REYNOLD AND CO.

Mr. Victor P. Righs, works director of the hydraulics division of Edbro, has been appointed to the Board of EDBRO (HOLDINGS).

Mr. Ian Hogarth has been appointed assistant general manager of the BRITISH BANK OF COMMERCE. Mr. Ronald Craig has become executive manager of the money market department and Mr. Richard Webster manager of the property department.

Mr. M. J. Milner has been elected chairman and Mr. C. A. Kuttner deputy chairman of the BRITISH CHEMICAL ENGINEERING CONTRACTORS ASSOCIATION. Mr. Milner is chief executive of Davy Powergas International and Mr. Kuttner deputy managing director of Woodah-Duckham.

Mr. V. G. Baker and Mr. A. S. W. Joseph have resigned from the Boards of BRYANSTON FINANCE and the NATIONAL UNION BANK.

Mr. C. R. Lawless has been appointed to the Board of REDLAND and will succeed Mr. J. W. Wallace as managing director of Redland Gravel from November 1. Mr. Wallace remains on the Redland Board in a non-executive capacity.

Mr. Roger Wallwork has been appointed financial director of the HOLLAS GROUP.

GARDENS TODAY

Planning for the Autumn

BY ROBIN LANE FOX

THE MORE we become accustomed to clear and sunny autumn weather, the more the months of September and October should be designed as a delight in the garden year. I would be willing to abandon April and August in order to centre my planting on the fine autumn weather in which I can reckon to enjoy it. The autumn garden, too, must be more ingenious than those drifts of daffodils and summer beds of daisies: features have to be hunted out in catalogues and bunted to go beyond mere flowers.

Wider idea

From a week of garden visiting and the RHS's great Autumn Show I have begun to form a wider idea of what could be possible. There is an acid smell about autumn's Michaelmas Daisies and bronze-yellow Heleniums which I always notice on the green canvas of the flower shows stands. They do not come high in my favour for autumn: there is no pleasure in a Michaelmas Daisy for most of the year and lovely though a lavender-blue hybrid called Aster Erikarti would look in place of many more familiarly-named varieties, their smell and their short season would usually turn me away from them.

I am much more attracted by fruits, not the apples which are always crispier, to put it politely, than I expect or the pears whose skins are as thick as those of any public figure, but the fruits of roses, shrubs, mountain ashes and decorative onions. Here it is worth exploring and experimenting, a gardener's keenest pleasure.

The autumn onions to which I refer are the paper-brown seedheads of the ornamental bulbs called Alliums. The flowers, mostly, are rose-purple or lilac-purple, though there are some kingfisher blues which are needlessly unpopular: in autumn these flowers have disappeared, but careful choosers are left with a dried brown seedhead like a major's drumstick, in which the black onion-seeds glisten and rustle, ready for collection.

The seedheads can be cut and used in vases for winter decoration, along with autumn's teasels and pampas grasses: the most effective ones are borne by a four-foot-high Allium called Schubertii, after the composer. I like to imagine, and very harmonious in rose-lilac flower and dried brown old age.

Fashionable

It is becoming very fashionable, for the branches in its seedheads are as clearly defined as the struts or girders in an architect's design; a valuable autumn contrast, this ornamental onion can be matched by two others called Albopileum, more magnificent in full June flower and Affatense, slender and slightly cheaper. Their flowers do smell of onion but I cannot think why you should wish to sniff them. The

dried heads are quite unscented. If a dead-head seems depressing, it can be cheered up by the gay colour and enticing shape of rose-hips. One of the many disadvantages to growing modern floribundas is their lack of this sensational second season: they do not fruit brightly, whereas the shrub rose called Moyesi, in its several turns of colour, September with masses of scarlet hips, as prominent as any autumn crop of rose buds.

This is a vigorous shrub rose for rough grass, orchards or the edge of lightly shaded woods where it will arch prettily into a wide and tall specimen. I have never planted it, not least because its single flowers seem to me to be over-rated, even in the multi-scarlet form called Geranium. But its hips are magnificent and I can only console myself with the bright, more delicately shaped fruits of the very different rose Rubrifolia which is showing such an abundant crop in this sunny autumn.

This rose mixes impressively in any border of flowers where its grey-purple leaves stand out as an individual grouping. I can imagine an unusual planting of a glossy evergreen—the smooth leaved Holly called Ilex Camelliaefolia would be excellent—broken up by clumps of Rose rubrifolia for six foot high branches of delicate leaf and fruit. I remember a reader who wrote to tell me of a border planted with a drift of this rose and a group of the variegated dogwood which always seems to

intrude into this column whatever I write about. It sounded very sophisticated then and I am sure it would look pretty if tried now.

Red fruits and berries, of course, are autumn's familiar attraction: how many gardeners, though, take the yellow-green fruits of their spruce, flowering Quinces (or Japonicas) seriously? I saw a bowl of them at a flower show last week and resented to pay more attention to this second effect of a shrub which has few equals for massed wild planting or decorative woodland thickets. We should all plant for the scarlet berries of Viburnums, especially the enormously heavy trusses of a kind called Botrydium and the bright bunches of a form of the Guelder Rose (Viburnum Opulus) said as Notcutt's variety.

Pink marbles

The pink marble-like horns as fruits by forms of the Mountain Ash, such as Sorbus Vilmorinii, should not be ignored by any garden in need of a small tree with many seasonal virtues. But pleasures such as the knobbled and inedible fruits of a Flowering Quince are overlooked and ignored, an added blessing which we do not take into account. No gardener can afford to make too little of his plants, least of all in autumn when the sun is having its last and longest run. We must be attentive, for what we miss in autumn will not be there as a memory to help us through a chilling winter.

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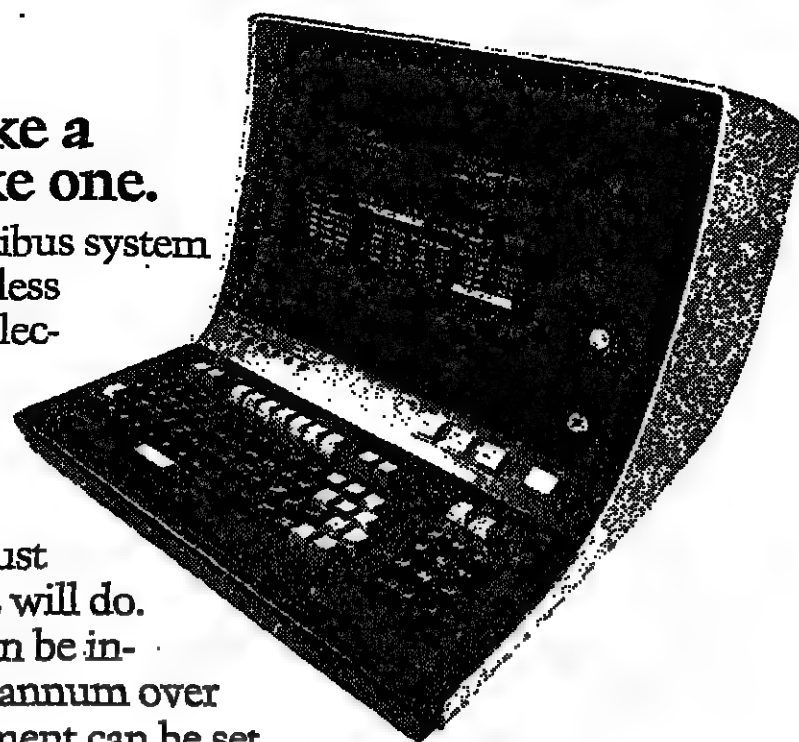
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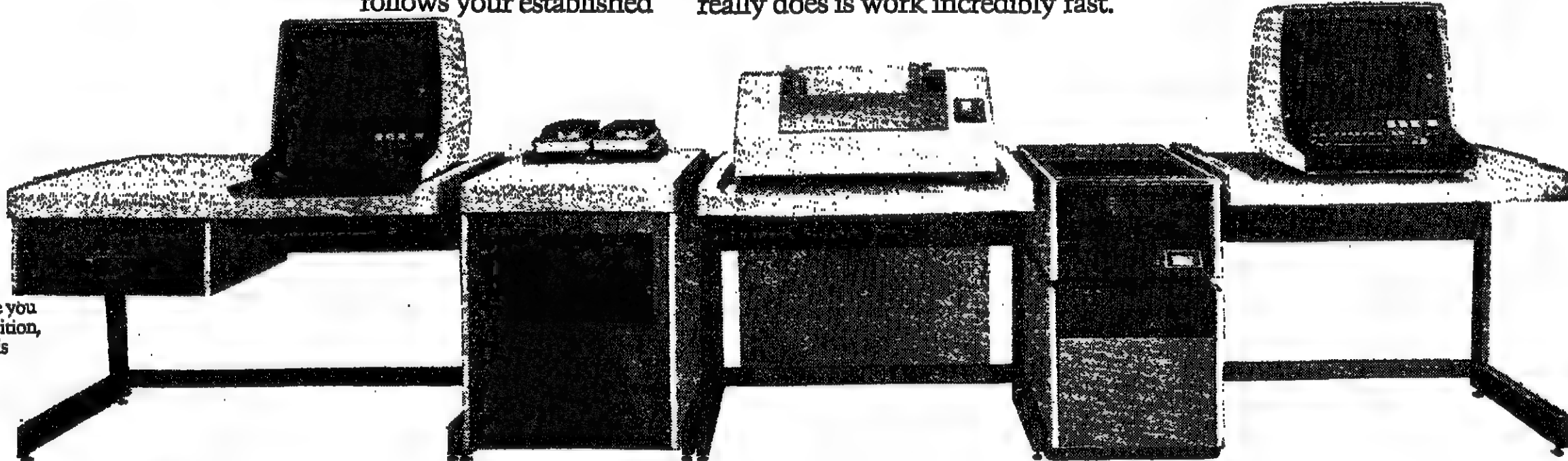
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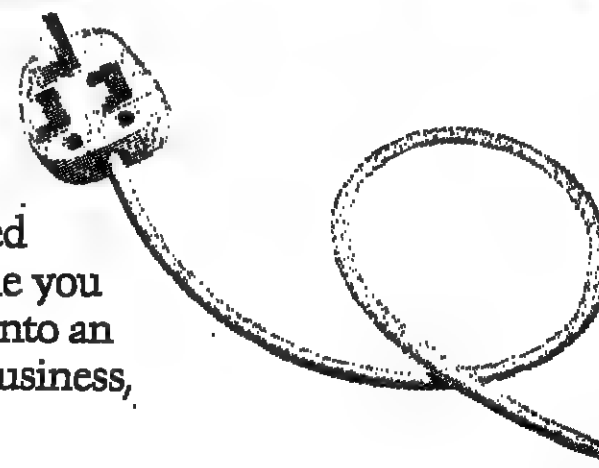


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IBM's research finds a Swiss disciple

BY DAVID FISHLOCK, SCIENCE EDITOR

of advice the Thomas D. Watson of give was that at 40 a go off and do some- At 40, Professor Boveri was director of the IBM laboratory near Zurich, forming the com- m, a year central fort—and there was ter in sight. But as 43, Brown Boveri, Baden only 15 miles Spaiser if he would same sort of central ort for them. pany already had a national research ne from its first tal shop" in 1899— oss three countries. Germany and support of its pro- it was anxious to om industrial electri- bad begun to look it the flow of novel and products from arch departments of ical giants as Bell U.S. General tips and IBM. vere no immediate spite the downturn he company began to in the late 1960s. A arch fund set up in ad accumulated some fact Professor Spaiser invited to write a job for himself, with the building his own t to carry it out. takes no secret of the despite some obvious between the two ns with which he has years of his life, he his specification on mula for central

versities. Two places from which he scrupulously avoided poach- ing, however, were Brown Boveri's own laboratories and the IBM laboratory nearby. One result is that he remains on the best of terms with his former employers—"on first-name terms with IBM's chairman," he claims.

The new central laboratory at Dattwil near Baden was completed last year: a cleverly styled structure of concrete that snuggles into the mountainside. Its research programme is based on suggestions fed in from the operating departments, from marketing and the customers, from the scientific and technical community. The final choice of programme, however, is guided by company strategy and the scientists' own estimate of the chances of business success.

"The art of research manage-

example, Brown Boveri is confident that the steam turbine generator is going to be around for a long time yet, and in much bigger sizes than the 1,300 MW machines—the world's biggest—it has assembled so far. But the problems it met in building and commissioning three 1,300 MW machines for the U.S. have convinced the company that it needs to know more about the materials it uses.

As Dr. Rudolf Meier, assistant director—a nuclear physicist recruited from the Swiss nuclear programme—puts it, as the machinery gets bigger the engineers can no longer assume that the materials they are using will be free from flaws. It will be too expensive. So more must be learned about defects like cracks and corrosion—how they propagate and influence the per-

The second broad category of research is inventing new products. Here Professor Spaiser can already point to some commercial success. His scientists have formulated a new kind of permanent magnet, no less than 74 times as strong as the Alnico magnets widely used in electrical apparatus today. Admittedly the composition is costly—many 2 a gram at present—but already the magnet is finding a market in electric watches.

The watch trade also holds promise for a new kind of display, using "liquid crystals," developed by the research centre. It is the only electronic display, the scientists claim, that will operate directly from the watch battery—all others require a voltage converter to produce the higher voltage necessary.

The magnet is making money already for Brown Boveri. The display, believes Spaiser, will be profitable next year. He expects both to extend to much bigger sizes—to kilowatt motors and control room displays, for example.

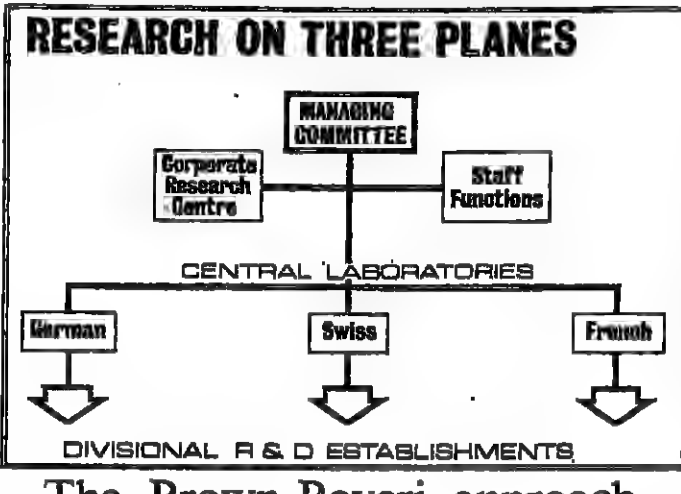
Thus Spaiser claims he has already fulfilled part of the specification he wrote for central research in 1968; namely that it would show its first signs of promise inside five years. But the specification went on to say it would take ten years to make its full commercial impact—and he still stands by this forecast.

What risks can he foresee that might thwart his forecast? One is the "XIZ factor"—not invented here—which might prevent product divisions from adopting ideas from central research. This he sees simply as a question of personality—above all how well his own face fits with the Board of management.

However well a central research effort is supported by group management, its relationship with the laboratories of operating companies is likely to be precarious. They can omit to feed it with good, relevant ideas; or duplicate some of its work; or simply make unsympathetic noises about high group overheads.

Falling profits pose a big short-term risk. Management may then be persuaded to take the conventional route and cut out activities that show no quick return.

Ambros Spaiser firmly believes his best insurance for survival lies in keeping central research costs down. His budget has been growing at a modest 5 per cent a year and he says he will be content to see that maintained.



The Brown-Boveri approach

mercial ures ly it is to recruit good set them sufficiently goals, and make sure immediate commercial an never distract them goals. This formula about £20m. a year of arch and development £270m. specification was at only in the kind of posed to spend—about f an R and D budget 50m. His aim was to t ten years ahead—and pro-company with new profit by the late targets be chose were ew products but new is that would extend oducts to the demands ket place in ten years n to recruit in 1968, taff from the central departments of U.S. and from the uni-

ment," Professor Spaiser admits "has not yet progressed to the point of being as scientific as business management." The two key decisions, he says, in running a successful laboratory are to choose the right people and write good research programmes—and these are the tasks he enjoys the most.

There is one important difference between the product lines of his present and his former employers—the rate of obsolescence of Brown Boveri's technology is about 20 years, compared with five years for IBM. For this reason the policy of Dr. Ralph Gomory, IBM's research director, of putting pre- sent and future technologies into direct competition at the research level has less relevance for Brown Boveri's problems.

Professor Spaiser's research programme falls into two broad categories, both of which are pursued at the level of fundamen- tal physics and chemistry. One is to find ways of stretching the present products to far- greater performance. The turbo- generator is an excellent

formance and life of these re- markably highly stressed machines, how far they can be tolerated, and how much they must be monitored.

Just how far Brown Boveri hopes to stretch these machines can be gauged from the fact that it already has a design ready—although no takers yet—for a 3,000 MW turbo-generator. Its scientists believe the turbine itself will stretch to 4,000 MW but the lower strength of materials used in the generator may limit designs to 3,000 MW.

Another example is the thyristor, a silicon switch that can handle high currents—"the heavy engineering of semi- conductors," as Spaiser calls it. Silicon has probably been studied more intensively in the past 20 years than any other material. But the chief objec- tive has been miniaturisation electronics. Quite different properties must be studied if Brown Boveri is ever to market thyristors that can handle reliably many thousands of amps at several thousand volts.

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BY OUR LEGAL STAFF

I commissioned a commercial artist to make certain drawings, but he took exception to the idea that mine should be the copyright. What is the legal position?

In the circumstances where a person directly commissions a work of art to be made by somebody else, the normal rule is that the person effecting the commission owns the copyright. Copyright, Act, 1988 s4(2). Of course, this is subject to any agreement, express or implied, and you did well to have the matter put beyond doubt.

The Inland Revenue are likely to contend that you commenced when you got your contract to write.

With regard to the rules for spreading royalties it may not prove any advantage to make such a claim but this depends entirely on your total income. Without knowing how much time you spent writing your book and whether you are continuing writing we cannot express a definite view as to whether you should be treated as carrying on the profession of an author although we think that it is highly likely that you are carrying on such a profession or were doing so when you wrote your book.

the overpayment be recovered? The general rule of the law is that any sum which has been paid under a mistake of fact—as distinct from a mistake of law—can be recovered. There may well be cases where, by making an overpayment, the person making it leads the person receiving the money to change his position as a result of the payment (usually by spending the money in a manner he would not normally do) and then the person making the payment may be stopped from recovering it. But in the usual case it can be recovered.

get him out merely on the ground that you wish to use the land yourself.

Promissory note's validity

Are promissory notes subject to ad valorem stamp duty? For how long are they valid?

Promissory notes do not now bear ad valorem stamp duty. The limitation period is six years from the date of the note or any subsequent written acknowledgment of the debt, payment of any interest due under the loan, but if the note is expressed to be payable at a particular time the limitation period would not begin to run until that time.

Garden as market garden

Do I have to obtain a licence, or consult my local authority in order to use my garden as a market garden? Can I simply advertise my produce by public notice and sell it "at the door"?

You do not require planning permission to use your land, together with any existing buildings thereon for agricultural purposes. However, we think the question of using your property for sales of produce is more difficult. In general, no objection is taken to this, but in strict law the use of any part of your premises as a shop entails the obtaining of planning permission.

Copyright in a design

Are the designers of small boats covered by copyright and if so does this provide effective protection?

The designer of a boat normally has copyright in the plans for it and these are protected by the normal copyright laws. In general these are fully effective to prevent infringement.

Failure to close a gate

The holder of a right of way through my farm will not close the gate, and this permits the animals to stray. What can I do?

We consider that your only remedy is to apply to the court for an injunction preventing the owner from using the right of way without closing the gate. We can see no other method of controlling him.

Fixing telephone wires

The Post Office has fixed telephone wires to my business premises without my permission and in doing so have injured the paint. Could you please tell me what is the legal position?

In general, the Post Office may place and maintain their telephone wires under, in, upon, over, along or across any land or building and may alter or remove them. They may not, however, interfere with the access to any property; and may not place an above-ground telegraph wire within ten yards of a dwelling house without the consent of the owner. If consent is refused, there are powers to refer the matter to the County Court.

Notice ought to be given of any exercise of such powers as little damage as possible must be done, and, if any at all is done, compensation may be paid.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible. No charge is made for this service except in relation to investment matters.

Already profitable

The magnet is making money already for Brown Boveri. The display, believes Spaiser, will be profitable next year. He expects both to extend to much bigger sizes—to kilowatt motors and control room displays, for example.

Trustee and trust property

A charity of which I am one of the trustees owns a piece of land; whose rent is a few £s a year. Would my putting in an offer for it as a trustee be an offer for it?

As a trustee you are absolutely debarred from purchasing any part of the trust property without the leave of the Court. If the other trustees were prepared for you to be done, you would have to pay the costs of making the application, and this would—having regard to the fact that the property is apparently not of any very great value—be a considerable cost to you out of all proportion.

Possession of land

I should like to have the use of a piece of land I own which is tenanted by a local farmer. As it is I have to pay for the use of other land. Can I obtain possession?

Assuming that the tenant does not wish to go and will take full advantage of the law, you can only be certain of obtaining possession if the land is to be used for some purpose other than agriculture for which planning permission has been given or is not needed. Otherwise, unless the tenant is guilty of bad husbandry or fails to pay the rent or something of that nature, if he likes to object when a notice to quit is served he cannot be got out. It must be realised that tenants of agricultural holdings have even greater security of tenure than rent-controlled tenants. You certainly cannot

Writing and Schedule D tax

I have written a book and have been told that I shall be taxed under Schedule D. Can you tell me when I started this trade, profession or vocation?

I wrote to the tax office and asked about spreading the royalties over the time during which the book was written, and was told that writing one book could scarcely make one an author. What, please is the position here?

It will no doubt be to your advantage to contend that you started your authorship when you commenced to write. However,

Overpayment in error

When an employer has in error made an overpayment of salary to an employee who has left, can

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Cadbury Schweppes shows the way

THREE DAYS after the CBI's committee on company affairs recommended that the Board of Cadbury Schweppes should meet the shareholders to discuss the company's half-year profit results, the move, although quick by any standards, could hardly cause surprise since Lord Watkinson, chairman of Cadbury Schweppes, also headed the CBI committee.

The committee was set up in March, 1972, to consider other things, to consider corporate behaviour towards interests other than shareholders including employees, customers and the community. As far as employees are concerned, the final report (which superseded the interim findings published last January) stressed the importance of the Board's responsibility and suggested that traditional employer/employee conflict would exist until "the majority of Boards are far more deeply involved in fostering genuinely co-operative relationships... than they are to-day."

The committee went on—"It is not co-determination or a veto by employees that is proposed but the process of bringing employees into the consultative process... before a decision is come to."

Last week's meeting at Cadbury Schweppes was, in fact, not the first. In March the company had organised a forum between a much smaller number of shop stewards and junior managers. It was the apparent success of this (plus one suspects Lord Watkinson's desire to be seen to be practising what he is preaching) that really justified the new initiative.

"We will take time to establish a full working relationship," stressed Lord Watkinson, "but a possible format has been sketched out. We were able to talk about our financial position, our present and planned cash positions and capital investment programme—and we were able to get some very intelligent responses."

Not surprisingly Lord Watkinson hopes to build up in Cadbury Schweppes exactly the sort of consultative process spelt out in the CBI report. "We will give the employees a chance to try and influence Board decisions before they are made. We hope they will participate in the process of management but not in the sense of veto and it is not a step towards co-determination."

"It is really a rather pragmatic set-up but it will allow us to discuss sensitive subjects in a way that we have not done before. We have agreed to meet every six months when profit figures are realised but the frequency will probably be increased as time goes on."

J.P.

Beirut business graduates

BY A CORRESPONDENT

"THE LEBANESE and business?" mused a visiting British director. "Every schoolchild and taxi driver can tell you the current exchange rate." Business may be as instinctive to the Lebanese as singing is to the Italians, but even the Lebanese are beginning to see that, to release themselves completely from a lingering foreign presence in business, they need more than a traditional fair for a bit of moonlighting here and a quick deal with a family friend there.

Understandably the pulse of this new mood is found at the department of business administration of the American University of Beirut. As the Middle East's "Harvard," the AUB provides the local intellectual cream for the area.

The department is small and multifunctional—handling about a third of the total demand for BBA's MBA's evening classes, and tailor made courses for certain industries. Some companies (like Libya's Oasis Oil) pay huge fees to enable their trainee managers, who lack the AUB's rigid entrance qualifications, to sit in on courses like marketing and accounting.

Director Dr. Nimr Eld-himself an AUB MBA—is urging the university Board to establish the department as a school in its own right. It could be entirely self supporting stresses Eld, who visualises extensions to the current extra mural management classes and research projects.

"We could send lecturers to the Gulf to give intensive seminars for a fee instead of expecting Gulf managers to fly to Beirut."

Although his courses are styled on American business school methods—Eld is aware of the shortcomings of an American training in the Third World. He gestures cynically at a row of American business books—"They talk about the consumer. What does that mean here?" For this reason MBA and PhD students are encouraged to deal with local subjects for their theses, for recycling in future student classes.

"Any manager in the Middle East needs to be highly flexible," says Eld, and quotes examples of companies that, overnight, have to adjust their import-export or production programme around a war in the area, or a sudden border closure.

As the bulk of Lebanese business is still fiercely family held, staffed and dominated, it is closed to even the finest trained MBA. For this reason, the bulk families have over business.

of AUB business graduates go straight to either the American banks, insurance companies or airlines based in the Lebanon. Other graduates are lured to the Gulf or go to the U.S. for PhDs. Beirut based airlines like MEA or TMA pride themselves on their high intake of business graduates. Both believe in intensive in-house training, partly through tailored AUB courses, and partly through exposing trainees to each aspect of the airline business. TMA never recruits from other airlines, and employs business graduates to send them to one of the airline's 56 offices abroad, within two years. George Carayan, MEA's senior vice-president; management controls, admits that after a few years of basic training the company loses at least 30 per cent of its initial graduate intake, and blames this on the frustration of the airline's highly fragmented management structure.

In each area where AUB business graduates are employed they should inspire change. This will be most gratifying when it is done outside of Lebanese-American business enterprises, and is when it can break the dying traditional hold leading families have over business.

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Irrelevance triumphant

MR. WILSON'S speech in yesterday's Labour Party debate on public ownership is to be interpreted not so much as a programme for action as an effort — and an apparently successful effort — to maintain freedom in drawing up the programme which is eventually to be presented to the electorate. He did not, indeed, go as far as Mr. Jenkins, who warned the delegates that Labour might again come to office at a time of serious economic difficulty and that the Party lacked the moral authority at present to carry through a social revolution.

But he did tell them that the question at issue was not one of acceptance by the conference alone; they were debating, he said, not what they would like to do if they had political power but what they must do to turn their debates into the reality of political power. And when it came to the most vexed question of all, the proposal to nationalise 25 named companies, he made his position abundantly clear. "The Parliamentary Committee," he declared, "charged by the constitution with the duty of sitting down with the executive to select from the programme adopted by the conference the items for inclusion in the election manifesto, entirely reserves its full constitutional rights on this matter." Some of them may not have liked it, but Mr. Wilson got his standing ovation.

Commanding heights

His remarks about the nationalisation proposals were nevertheless prefaced with a warning that the nature of the "commanding heights" of the economy which Government must control had changed in the past 20 years and that public ownership (of steel, for example) has sometimes in the past run with an uncertain sound in the ears of the electorate. Even in the case of Mr. Land, therefore, the nationalisation of which he put first, he was careful to leave room for argument about methods and details and to reject out of hand the suggestion that owner-occupiers should be made to exchange their freeholds for long leases.

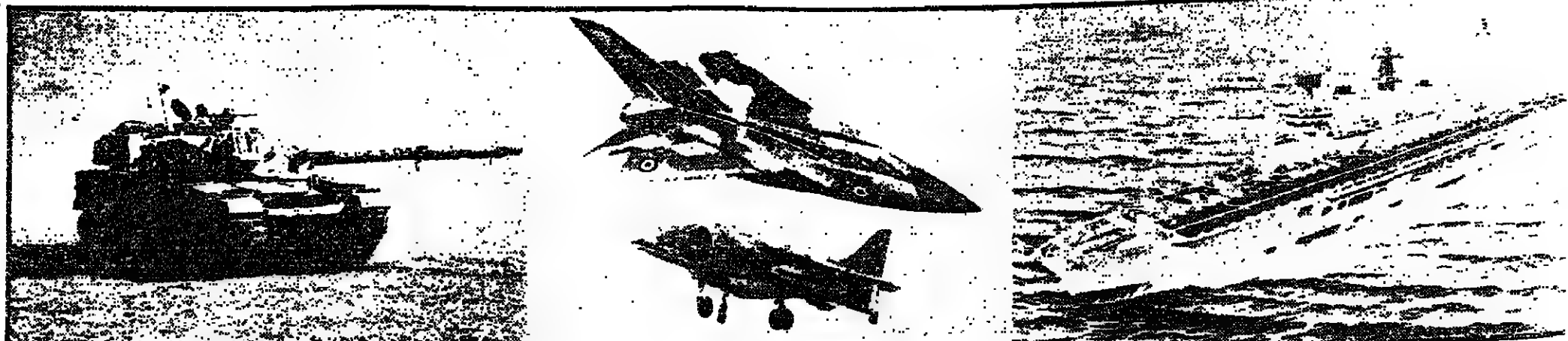
The definite commitments to public ownership which he accepted were probably the

minimum needed to secure that standing ovation. Mineral rights — especially North Sea oil and gas — registered and unregistered ports, shipbuilding and ancillary industries, and aircraft production would all be nationalised. Sections of individual firms producing within the pharmaceutical, machine tool, construction and road haulage industries would be taken into public ownership; existing nationalised industries would be given freedom to compete with private industry. The future of financial institutions was left deliberately vague, though Mr. Wilson himself seemed to favour the establishment of a housing finance corporation, the restoration of priorities in lending, an inquiry into the working of the Stock Exchange, a State merchant bank and unit trusts and a ban on credit transactions in securities and commodities.

Industry Act

The potentially most far-reaching proposal which he supported was a new Industry Act which would empower the Government not only to provide financial assistance for private companies in exchange for equity but to seek agreement over "prices, profits, investment programmes, overseas trade, industrial relations, and industrial democracy." The actual powers involved do not seem to be significantly greater than those taken by the present Conservative Government and the objections to them are the same. What use would be made of such a blank cheque, however, is unpredictable, as it suits Mr. Wilson for the moment — as well as Mr. Benn — that it should be.

The adjective which Mr. Wilson used most frequently in yesterday's speech was "relevant." This may have been merely because the word is fashionable. It may have been because he wished to concentrate the minds of the delegates on the issue of attaining power. But it is at least equally likely that Mr. Wilson's use of this word — as in his well-known use of the word "frankly" — demonstrates his impatience with the subject of the debate. Public ownership in itself, where it is not positively harmful, is not only irrelevant to the social and economic problems of the country but is regarded as irrelevant by far the greater part of the electorate.



Chief tank; MRCA (drawing above) and Harrier; Through-deck Cruiser (artist's impression)

Defence: a fiercer budget battle this year

BY MICHAEL DONNE

ONE OF the toughest peace-time battles for years is being waged in Whitehall to settle the size of next year's defence spending.

Every autumn, as part of the preparations for the annual White Paper review of policy, this "battle of the budget" dominates the Ministry of Defence. This year it has become fiercer as the Government struggles with its counter-inflation policy and seeks to keep spending down.

Defence in the current financial year is costing £3,365m., or 31 per cent. of the Gross National Product—£533m. more than in the previous year. Of this, £350m. is due to pay and price rises, so in real terms the increase in spending is £173m. Even if there were no changes in the forces' commitments, and no extra purchases of new equipment, spending would still rise next year solely because of inflation.

Dividing up the cake

For the immediate future, however, each Chief of Staff is under pressure to keep down the spending of his own branch of the armed forces. He must also wage his own struggle against his colleagues to get favourable decisions on a wide range of new ventures. The old inter-service rivalries may have been softened by the streamlining of the Defence Ministry structure in recent years. But they tend to flare again when it comes to dividing the budgetary cake. Uncertainties over the outcome of the Strategic Arms Limitation Talks (SALT) and the discussions on Mutual and Balanced Force Reductions (MBFR) also have a bearing on future U.K. defence spending.

Bunching of projects

The Ministry's problem is that it is moving into a period of "bunching" of new projects and programmes — either already begun or awaiting decisions — and all requiring cash. It has to meet the customary Treasury insistence that spending should not rise, and if possible should be cut, at a time when inflation is hitting hard. Commitments in Northern Ireland are heavy, and the outlay on research, development and production of new weapons and equipment is higher than for some time. The cost of research and development in the current year is estimated at £415m. — £38m. more than in 1971-72.

This problem is always present to some extent because of continuing improvements in technology and military capabilities elsewhere, with which the U.K. must try to keep pace. However, it will be especially difficult next year as certain programmes begun some time

ago, such as the Multi-Role Combat Aircraft (MRCA) reach their peak of development spending.

Pressures on defence spending may become even more severe in the mid to late-70s as other major decisions fall due. One is the question of updating the Polaris missile submarine force, by improving the existing missiles, buying one of the advanced Poseidon or ULMS-1 missiles from the U.S., or waiting for the even more advanced Trident submarine system. Whatever course is chosen will be expensive, fraught with political difficulties, and the subject of considerable debate.

eventually also get the MRCA seen whether Government policy and the Hawk trainer, would like more Harriers, although an order for an additional squadron was placed earlier this year. It could also use a medium-lift helicopter and more Nimrod maritime reconnaissance aircraft, and it needs a replacement for the Shackleton in the airborne early-warning role.

Recruiting is down

The Army would like more new tanks, guns and armoured personnel and other vehicles. It would also like to see more spent on inducements to recruit, which is now a source of major concern, having fallen by nearly 30 per cent. in the 12 months to the end of last July (from 29,572 to 21,564). It is attributed both to problems in Northern Ireland and the raising of the School-leaving age affecting the number of boy entrants. A campaign in schools to stimulate interest in the Army as a career is under way.

In Northern Ireland, some £4m. is being spent on improving troops' accommodation, but some senior officers would like to see more spent. Recruiting might also be improved with additional pay rises. The permitted increases under Phase Two have been paid, but the next major two-year review is not due until next April. It remains to be seen whether the Jaguar fighter and new helicopters, and will

Canberra. Any variation in the MRCA programme therefore, for technical or financial reasons or because of political difficulties in the two countries, could have serious repercussions for the RAF. This is why the U.K. is pushing MRCA hard. One result is that other defence programmes have been unable to get the cash their supporters have sought.

Outlook for Harrier

Pressures on the defence budget because of inflation and the number of projects seeking support are such that savings must be found somewhere. This seems likely to be achieved in three main ways. First, by delaying further the start of some new ventures, despite strong arguments from the Chiefs of Staff. Thus the outlook for the marine Harrier is uncertain, despite claims that the Navy's Blowpipe anti-aircraft missile system, a medium-range aircraft missile based on the U.S. Sparrow, a new submarine-launched air-flight anti-ship missile, and a helicopter-borne anti-ship missile.

This list of projects and requirements is far from complete. The forces would always like more of everything. Just how many will materialise remains to be seen. It does not seem likely that major projects already under way will be cancelled. These have already passed both MoD and Treasury scrutiny, and their survival shows they are regarded as essential. Their costs, however, are being closely monitored. One that seems certain to continue is the tripartite Anglo-German-Italian MRCA, probably the most costly venture of all. This is nearing the peak of its development spending (estimated at over £350m., of which the U.K. share is 42 per cent.). The prototype is due to fly early next year.

The RAF will have 350-400 aircraft delivered from 1977 onwards. They will cost over £11m. each and replace at least four existing types—Buccaners, Lightnings, Vulcans and

Value for money

The Ministry's efforts to get money also extend to cutting costs in industry. The Prime Minister's Executive spends more than £2,000m. a year on defence services, and contractors have to show their costs in much more detail. This is due partly to severe criticisms of the Ministry's methods of preparing an estimate of an appropriate "Defence Contractors' List" containing names of companies whose methods have passed stringent MoD examination. It may take two to three years to complete but already some long way towards eliminating slackness and in defence contracting.

MEN AND MATTERS

From James Bond to health foods

The far-flung world of Booker McConnell (in 190 years it has added to its West Indian sugar plantations such diverse activities as selling toiletries, tawling shrimps and making clothes, mining machinery and Tia Maria) can offer some strange career patterns even for those who stay home in London. Yesterday, when management changes were announced to split the U.K. food side into the ordinary supermarkets, butchers and wholesalers on one side and the health foods (plus some chemists shops and household stores) on the other, John Murphy became the new divisional chairman of the health food side. Only two years back, he was chairman of Bookers Artists Services, handling James Bond.

The story of how Lord Campbell of Eskan bought 51 per cent. of the Bond copyright off his friend, the late Ian Fleming, on a golf course is well known. Agatha Christie, George Bernard Shaw, Harold Pinter and others followed into the Booker stable, and Murphy, who had originally joined the group from J. Walter Thompson as a marketing adviser for Bookers' new U.K. food interests, was put in charge.

In the meantime, Bookers had bought Associated Health Foods, reckoned to have 80 per cent. of the market at the time, from Slater Walker. SW had picked it up as part of a company called Forestal. Bookers paid £11m. for the 82 per cent. of AHF not owned by its founder, Jimmy Lee-Richardson, who "continued running the group." But in 1971 Lee-Richardson left and sold his shares and Murphy found him-

self back from novelties to food executive (which has not changed for six years); and a Lord Rank, produced his first commission. This commission is based on a formula related to earnings per share, so it took a knock when Plessey issued a large chunk of equity for Alloys Unlimited in the U.S. at £250,000 when their regular shares are "between panto and summer season and between summer season and panto," a firm that has no hard and fast rates on how it should treat this type of situation. It depends on individual circumstances. "On the face of it, Sir John seems to be in the same position as a salesman who is paid by results. And the Price Commission does not intervene in such circumstances."

The answer starts this week at the Victoria Palace Theatre where Barbara Windsor, Sidne, James, Kenneth Connor, Bernard Bresslaw, etc. take to the stage. Around £50,000 has been spent on the showgirls' costumes (a rare extravagance in a London variety theatre these days).

Then what? Well, Stoll Theatres, which owns the Victoria Palace and for whose deputy chairman, Louis Benjamin, Rogers is producing the stage show, is part of Sir Lew Grade's showbiz empire. And his ATV television company has already signed a deal for 13 half-hour TV Carry Ons to be made next year (early in which, of course, the 26th Carry On film will also be shot). So you tell me where it all ends.

Having binding conference decisions would be disastrous. Imagine only being able to change your mind once a year!

Easy

Question: Who invented the long week-end?

Answer: Robinson Crusoe. He had all his work done by Friday

Carry on forever

Back in 1938, Peter Rogers, then fell sharply. This was because his contract has three elements to it: director's fees (which have not changed for four years); a salary as chief ex-journalist, gag writer and

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We live in a multi-racial country

is a multi-racial country. This plain statement is obvious in this country, and is already living here.

This is why "repatriation," which is so much favoured by followers of Mr. Enoch Powell, is not a solution. Compulsory repatriation, which is a euphemism for expulsion, is simply not consonant with the British tradition of tolerance, and this remains true even in these lean years during which tolerance is wearing pretty thin. Voluntary repatriation, which is already provided for in the law, is unlikely to have any significant effect, even though I suspect that during the next few years whatever Government is in power will feel sorely tempted to pander to the worst in our society by producing half-baked schemes involving hefty bribes for those who can be induced to leave the country. In such circumstances some "immigrants" might well go "home," but who can doubt that most of them would stay?

The only situation in which this hard arithmetic might prove faulty might be one in which British society had deteriorated so far that widespread social and racial unrest (as in Northern Ireland) made some people anxious to seek shelter elsewhere. But this would affect whites as well as blacks: it would not necessarily make much difference to the numbers and it would, anyway, be just the kind of civil disorder that all Governments must take as their first duty to prevent.

Thus it must be accepted that significant numbers of people of West Indian and Asian origin are here to stay. Once this fundamental fact is established it should not be very difficult to proceed to the next, which is that these newcomers should

be treated as equals within the society of which they are now a part. The fact that many of them are not so treated, which is amply documented in dozens of learned reports, should alarm us, because it is this that could lead to conflict in the future.

There are many possible kinds of conflict. For the past several years — since Mr. Callaghan became Home Secretary — our political leaders, in Government and out, have advocated their responsibility for leading the indigenous population away from the mood of dark resentment that burdens so large a segment of it and towards greater tolerance. This abdication has been the result of sheer political panic; the result is that white racial attitudes have hardened and



"Education is of course of primary importance... but a warning must be given. It is no good relying on education alone."

manifestations of white ill-feeling are likely to increase. At the same time little more than desultory efforts have been made to provide the necessary educational, housing, and employment services that alone might help blacks to climb upwards from the bottom rung.

The consequence is that numbers of dispirited, half-educated and unemployed black teenagers are being produced in an age when violence and urban conflict are glorified in some films and on the television. We could not sow the seeds of trouble better if we tried.

There is no cheap or easy way out of this predicament. The first step is to acknowledge the inadequacy of the existing policy — which is based upon the false assumption that the Race Relations Act is all that is

needed to eliminate blatant discrimination, and the complacent belief that the normal workings of society will in time do the rest. The second is to cast aside the idea that shutting the eyes of the blessed will cause the wicked to keep their shut, too. This insane proposition was no doubt behind the formula adopted by the Department of Education for measuring the number of "immigrant" pupils in schools: the harsh criticism made of this formula in last week's report from the Parliamentary Select Committee on Race Relations and Immigration was wholly justified.

The trouble with the formula is not so much that it underestimates the number of non-white children in various schools: Governments are not bound to provide statistics for

the benefit of those who make racialistic speeches. It is, rather, that the Department has not collected figures based upon type of child (Asian, African, West Indian, Chinese, Cypriot), length of stay, linguistic ability and the like that alone would make it possible to allocate resources according to the established needs of the children. The statistics should henceforth include all such information, with names and addresses destroyed once the print-out is complete, to protect individuals.

Diversity

Similar statistics, many of which will be available when the recent census results are fully analysed and published, are needed in other spheres of life, such as housing and employment. In every table it is necessary to acknowledge the cultural diversity of our multi-racial society: the needs of the Asian community are different from the needs of the West Indians, since the two groups are as little like one another as either of them is like, say, the Scots.

Education is of course of primary importance. The Select Committee makes a number of sensible suggestions for improving the education of West Indian children whose parents may think they can speak English but whose dialect is so foreign to British ears that they suffer badly at school, as well as the children of Asian parents who may wish to retain some cultural exclusivity. It suggests a central fund to finance these special educational needs, regular reporting by local authorities, and the establishment of an "immigrant education advisory unit" which should be set up within the Department of Education and Science. The fact that there is no such unit at present, and that it has taken

a Parliamentary Committee to propose one, is in itself an indictment of the blindness of officials and successive Ministers to the facts of the situation. But here a warning must be given: it is no good relying on education alone. This is the mistake made by most post-war egalitarians, whether they are seeking equality between members of different races, or equality between members of different classes. The facile assumption has been that if only everyone is given the same amount of schooling of roughly similar quality the result will be a society in which everyone is more or less the same.

Those who still harbour lingering hopes of this kind should read "Inequality" by Christopher Jencks and his colleagues at the Center for Educational Policy Research at Harvard University (recently published here by Allen Lane at £51). The authors have looked at a great many educational surveys conducted in America since 1960 and concluded that "none of the evidence we have reviewed suggests that school reform can be expected to bring about significant social changes outside the schools. More specifically, the evidence suggests that equalising educational opportunity would do very little to make adults more equal." They give three main reasons: the home is a greater influence than the school; reformers cannot control what teachers do in class; and changes in children effected at school seem to have little correlation with, say, income earned in adult life. This is not to say that improving education for disadvantaged children is useless: it is just that it is not a panacea. Just improvements are essential, if only to give each child a chance to become literate, numerate, and fluent in English.

But more than that is needed. In the case of West Indians the task is one of extension of the social services, since too many West Indian babies are farmed out to child-minders who give them little attention while the mothers are out at work. Asians, including the recent arrivals from Uganda, may in some cases need little more than a loan to start a business; in other cases apprenticeships (which the trade unions hold locked) or sufficient job training is the requirement.

Approach

The need is for nothing less than a broad, comprehensive approach to every area of the newcomers' lives: in housing, education, job placement, and the social services. In some cases provision for immigrants may conflict with provision for the British poor — particularly in housing. The answer is to increase the amount of housing so that both can be accommodated. In other cases it can fairly be said that the relevant Government Department has already shown itself willing to try: employment is an example. But even here there is still a long way to go, not least in bringing more private employers round to an understanding of what they need to do if they wish to avert serious social unrest in this country.

Above all what is required is an act of political will, from the very top, so that all Departments can be made to act in accordance with a declared, coherent, broad policy designed to prevent, or at the very least minimise, the social friction that some of our more mischievous politicians, led by Mr. Powell, simply assume to be inevitable.

Labour News

JC unions meet Kodak dispute

EL HOWELL, LABOUR REPORTER

MEET of the current dispute at Kodak grew yesterday following between the six unions seeking to join the firm company Len Murray, TUC secretary. Association of Cinematograph and Allied Arts has made a new to Kodak for separate over the dispute at any of film processing at Hemel Hempstead halted colour processing last week.

Yesterday's TUC meeting and unions announced "considering possible action in support of members in dispute claims of all the unions union." from considering financial support for the dispute at Hemel of the unions are also Kodak's dependence on suppliers as a first step potential "blacklisting"

would voluntary financial since it has decided to 120 members now in of the film processing equivalent of their full up to £50 a week for a

dy plant strike threat Rover production

BY ROGERS, LABOUR CORRESPONDENT

NEW Rover 2200 model 1 this Monday is among models whose production is being threatened by a of body pressings from Leyland's dispute-hit plant at Cowley, Oxford. day 300 night shift line workers were laid 1 further notice at the Solihull, Warwick, plant similar number of day-shifters are expected to be laid off.

Leyland dispute concerns workers who have been on a strike since Monday out of demands for pay- the time they were due recently because of shortages from Metal — the scene of another

workers guaranteed government was suspended the time they were laid ne with the EEF national ent which applies during of supply shortages federal-d companies by industrial action within ated company.

by management were last hoped that the 200 would return today to negotiations on their

while British Leyland is with his solicitors the decision to chal- the Pay Board's ruling that £1 a week pay increase for 8,000 non-produc- workers at Austin-Morris edge Birmingham must be d from the agreed May

Conduct code plan for local government

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE GOVERNMENT is to appoint a powerful committee to recommend a code of conduct for local government officers and councillors to ensure there is no conflict between their public positions and their private interests.

The decision to set up the committee, which will be chaired by Lord Redcliffe-Maud, clearly follows the revelations in the Poulson bankruptcy case and allegations about local government in North-East England. The committee will have no remit to investigate past events, however.

Its purpose will be to consider what principles should apply in the future, however, and consider with past events only so far as it is possible to draw conclusions from them about future conduct. The intention is that the committee, which will have six members apart from Lord Redcliffe-Maud, should report probably by next spring rather than take the two years that is normal for a Royal Commission. An official statement from 10 Downing Street outlined the terms of reference as:

To examine present local government law and practice and to consider whether it relates to or might affect the conduct of both members and officers in situations where there is or could be a conflict between their position in local government and their private interests; qualification or disqualification

Better prospects for Ulster talks

BY RHYS DAVID

BELFAST, Oct. 2.

CRUCIAL OPENING talks between political parties in Northern Ireland on the formation of a power-sharing executive now look like going ahead as planned on Friday, following assurances given to the Unionists to-day over the position of "loyalist" detainees.

Mr. William Whitelaw, the Northern Ireland Secretary, saw Mr. Brian Faulkner, the Unionist leader, to-day to assure him that no political considerations were involved in reviews now being undertaken into the cases of men detained.

This appears to have satisfied Mr. Faulkner, who said he was sure the talks would now go ahead. A welcome for Mr. Whitelaw's assurances also came from Mr. Roy Bradford, the Unionist Assemblyman who started the controversy on Monday when he claimed his party might be forced to withdraw from the talks because no loyalists were among the detainees whose cases were being considered.

Mr. Bradford's rather curious intervention has caused some irritation in Government circles as the review procedure has been clearly laid down all along. In his talks with Mr. Faulkner and Mr. Bradford, Mr. Whitelaw restated the position.

Detainees have been asked whether they wish to have their cases reviewed in strict chronological order, so that those who have been in prison longest will have the first opportunity to be released. It happens that all the longest serving detainees are from the Roman Catholic side. The 13 loyalists, all of whom were taken

Britain and U.S. in talks on new Harrier

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ANGLO-U.S. studies are being made on the long-term possibility of jointly developing an advanced version of the Hawker Siddeley Harrier vertical take-off fighter, for service in the late 1970s or early 1980s.

This would replace the existing Harrier and Jaguar fighters.

Both have many years of useful service life ahead of them, but the development time-scale of new military aircraft is such that the planners must start to think about their successors now.

Reports from the U.S. indicate that the Marine Corps, which is buying the Harrier, would like to have a development of it in the late 1970s and early 1980s, and perhaps buy several hundred aircraft. A provisional U.S. designation of AV-16A has been given to the project.

The proposed development would have the uprated version of the Rolls-Royce Pegasus engine, with 24,500 pounds of thrust, and a new type of wing. Studies for the prospective company.



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COMPANY NEWS + COMMENT

Hunting forecasts peak £1.8m.

CURRENT YEAR profits ahead from £1.2m. to around £1.5m. are forecast by the directors of Hunting Associated Industries, the land survey, technical engineering and aviation support services group.

On a turnover of £14.18m. against £12.46m., first half 1973 profits show the expected increase from £502,000 to £589,000. Earnings per 25p share are stated at 7.35p (4.07p).

All subsidiaries continue to progress satisfactorily and the directors consider that second-half results should at least be at a similar level to those of the first.

In his June annual report chairman Mr. C. P. Hunting told members that the first few months of 1973 had shown continued progress and an improvement for the year was budgeted for.

The interim dividend is 1p net (1.375p). The 1972 total was 2.625p. Hunting remains a close company.

• comment

Following profits more than double in 1972, Hunting is now some 79 per cent. ahead at the mid-term stage. Once again the increase is across the board, with the engineering side the star performer. The question now, however, is how long Hunting can continue to bump up margins: turnover in 1972 rose by only 15 per cent. and this figure has now fallen to 14 per cent. It is significant that the 1973 forecast suggests a marked slowdown in earnings growth during the second half. How much this reflects dependence on volume growth or is just another conservative estimate, as was the case in 1972, remains to be seen. But the shares on a prospectus net 7.1p (up 11p yesterday) are hardly looking for growth.

Monument Secs. sees good year

The Monument Securities group is continuing to trade satisfactorily and the Board looks forward to another successful year, chairman Mr. C. J. Armstrong tells members.

As reported on September 20 group profit before tax for the year ended March 31, 1973, improved from £238,742 to £310,517. The dividend is 11.55p per cent. (11 per cent.).

Referring to Scott Lester (merchants of T-shirts, denim and modern clothing) the chairman says the company's range of denims has been well received and both turnover and profits in the current year have continued to increase.

Universal Towel Company is continuing to expand in export markets and its laundering machinery is attracting considerable demand throughout Europe and America.

The current year has also seen a significant breakthrough in the Japanese market.

Altitudes Distributors (toy importers) unfortunately suffered a severe fire at the end of the financial year which destroyed its warehouse, part of the stock, which was covered by insurance, and most of its accounting records.

The directors are satisfied that this calculated stock figure of £92,000 is materially correct. The order book for the current year is running at a record level, the chairman says.

It is far too early in the year to give a full indication of the year's results of Scott Lester. Publications but the Board considers that the profit will be not less than £75,000 in the current year.

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Horizon Midlands	27	2	Unit Textiles	24	5
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Regarding property, Mr. Armstrong points out that planning permission has been obtained for an office development of 100,000 square feet on the group's freehold mill site at Bradford and the directors' look forward to the development commencing in 1974.

The 1973 figures for include Bellamy Knitwear from April 1 and the directors say the combined result is better than would otherwise have been achieved if the companies had continued to trade separately.

Circumstances have, however, changed since the merger, says chairman Mr. C. B. Rodge. Despite a higher level of turnover, and increased demand and orders for the higher quality and more expensive products, the financing of expansion of the knitting business, together with other increased costs, have absorbed benefits which should have accrued to members.

The directors have, therefore, decided to close certain specific activities. This will result in extraordinary terminal losses in the current year, compensated by the expected surplus from disposal of a freehold property. This action will also result in a release of funds employed from the least profitable activities amounting to about £500,000.

An effectively unchanged interim dividend equal to 3.85 per cent. gross—2 per cent. net—is declared. Previous total was the equivalent of 7.5 per cent.

Turnover rose from £3,487,363 to £4,234,348 in the six months and after tax of £171,179 (£108,177), net profit was £189,199 against £108,198.

The figures include the turnover and profits of Skillman Plastics for the five months ended June 30, 1973, of £384,745 and £20,035 respectively.

• comment

Once the Skillman results are extracted, British Syphon's six-month profits are comparable and 23 per cent. ahead pre-tax.

On a sales rise of a tenth, the group is up against its margin limitations; but at least this piece of legislation is one reason for the buoyant demand BS is at present meeting.

About 80 per cent. of sales stem directly from the liquor trade and with the brewers spending freely on capital account in order to contain overall profitability, BS has plenty of orders for its cooling and dispensing systems.

Moreover, the growing trend towards chilled drinks generally is also working in the group's favour, while among the non-liquor division BS reckons to have a winner in its merchandising activities (thermo-plastics, materials handling and storage equipment).

At 72p, the net p/e falls from an historic 181 (compared with 134 for M&P refrigeration) to around 101, prospective if BS can hit, say £770,000 before tax this year with Skillman.

CBR Jersey ahead at half way

CBR Jersey (Holdings) reports pre-tax profits of £100,500 for the 24 weeks to April 15, 1973, compared with £82,508 for the six months to April 30, 1972.

First half rise for Lafarge

INCLUDING £220,000 share of associates, taxable profit of the Lafarge Organisation advanced from £278,000 to £394,000 for the six months to July 1, 1973. Total for 1973 was £521,000.

As known the interim dividend is 0.84p net—1.25p gross—dividend of £70,426 including £27,124 in 1972 an interim of 1.2p (£87,234) was followed by a final of 1.65p per 25p share. The group is controlled by Clements Lafarge.

Profits reported represent the sum of the six months trading of True Flow, Durasteel and Code Designs, plus 100 per cent. of Lafarge Aluminium Cement's results and those of the group's other high-alumina cement interests for the first quarter, and 39 per cent. of Lafarge Fondu International for the second.

Plans for high-alumina cement activities are better than they would have been without the formation of LFI, a share of foreign based trade through the LFI interest accounting for the improvement in the overall figures, the directors state.

On July 30 the Ordinary share capital of LAC and the group's other interests in high-alumina cements were transferred to the new company, LFI effective from April 2, 1973, in return for 39

per cent. of the equity of that international company which is now an associate.

Group turnover	1973	1972
Trading profit	2,125,289	1,879,263
Transfer	7	11
Profit before tax	2,132,296	1,890,274
C.R. tax	82	110
Foreign tax	18	5
Deferred tax	11	112
Total	2,041,294	1,916,402
Attributable	202,163	163,163
* Includes only first quarter for LAC.		
† Total tax charge for associates companies (£111,000) is abnormally high due to unrelieved losses in Lone Star Lafarge, U.S.		
‡ From investment grant equalization scheme.		
§ Credit.		

FPA set for new record

PROFIT BEFORE TAX OF FPA Construction Group improved from £310,180 to £729,951 in the six months to June 30, 1973 and chairman Mr. R. A. Palfreyman says the directors anticipate a level for the full year "far in excess of those in the past."

In the year 1972 profit was a record £594,000.

Current regulations restrict the interim dividend to 3.675 per cent. net which lifts the gross equivalent from 5 per cent. to 5.25 per cent. Last year's gross total was 10.5 per cent.

Turnover increased from £4,549,198 to £7,505,544 in the first half. Tax rose from £124,000 to £246,700, leaving net profit up from £196,180 to £283,251.

Listing reasons for the improvement, Mr. Palfreyman says benefits from the integration two years ago of the activities of the construction companies are beginning to work through, and profits are now being realised from the commercial and industrial developments started at the same time.

Many new construction projects are in hand, in Britain and on the Continent, and it is expected that they will make "significant" contributions to profits over the next few years.

All group activities are proceeding at record levels, including house-building which is responsible for about 30 per cent. of group profits, the directors state.

• comment

FPA's pre-tax profits increase of 135 per cent. on a 55 per cent. increase in turnover at the half-way stage was enough to overcome apathy in the construction sector, and the shares up on 4p to 48p. In the light of the current mortgage position, the company is eager to point out that only 30 per cent. of its profits come from housebuilding.

However, the level of orders—currently some 25 per cent. above that of the year-end—has not yet stopped rising, so there may still be attractions in a prospective p/e of no more than 8½—assuming doubled first-half profits—on a market capitalisation of £3.5m.

Statement Page 29

Consolid. Commercial well ahead

FOOD PRODUCTS and property development group Consolidated Commercial Company has doubled its first half pre-tax profits from £283,800 to £567,600 for the six months to July 1, 1973. Net profit per 20p share, before extraordinary charges, is given as 7.04p (3.79p previously adjusted to imputation tax method).

1973	1972
Trading profit	11,660,000
Transfer	2,005,500
Profit before tax	13,665,500
C.R. tax	500,000
Foreign tax	100,000
Deferred tax	100,000
Total	13,965,500
Attributable	1,396,550
Interim dividend	1,396,550
First half investment income	1,396,550
Less investment income	1,396,550
No credit is taken for profit of Graveland, May 1, 1973.	
The extraordinary debit arises principally in compensating retiring directors in the Peek Winch and Tod group.	
The interim dividend is lifted from 5 per cent. to 6.3 per cent. gross—4.1p per cent. net. Last year's total payment was 11.2 per cent. paid on pre-tax profits of £827,864.	
In his annual statement in June chairman Mr. H. A. Bainbridge said that the current year had started "exceedingly well."	
The directors announce that the acquisition of Chamberlain and Forster by subsidiary T. Morris and Sons for £74,000 cash has been completed and an agreement in principle has been reached for the acquisition by Peek Winch and Tod of Dickies Discount, discount food retailing in the West Country.	
• comment	
Consolidated Commercial has hardly had time to solve the margin problems of its new acquisition, Peek Winch and Tod, so the impact of this wholesale grocer is much more obvious in the 59m. increase in group sales at the half-way stage than in the £17,000 increase in domestic pre-tax profits. Most of this came from further advances in CC's other divisions, which range from food to building and cold storage. One encouraging sign is the 29 per cent. pre-tax expansion of the Nigerian biscuit concern. Assuming that a doubling of profits is possible for the full year, a prospective p/e of 12 at 135p for such a "widely diversified" group still seems to lean heavily on its management image.	

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Mr. Ronald Henry Dool, chairman of Cape Asbestos.

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corresponding payment	Total for year	Total for last year
British Syphon	24	Jan. 4	2.85*	7.5	7.5
Cape Asbestos	2.85p (o)	Jan. 3	2.5	7.5	7.5
Cons. Commercial	8.51p (f)	Jan. 7	8	11.5	11.5
Cradley Printing	11p (c)	Dec. 1	10*	10.5	10.5
FPA Construction	3.25p (g)	Nov. 19	5	3.75	3.75
Freemans (London, SW9)	1.25p (a)	Feb. 6	2	8.39	8.39
Haden Carrier	1.75p (f)	Jan. 2	0.75	1.25	1.25
James Halcroft	1.51p (n)	Nov. 21	1.0	2.63	2.63
Horizon Midlands	0.73p	Dec. 14	1.38	5.5	5.5
Hunting Associated	1.45p (m)	Jan. 3	5	8.25	8.25
Lydenburg Platinum	8.7p (p)	Jan. 4	3.5	11.4	11.4
Matthews Wrightson	3.8p (e)	Dec. 6	17	20	20
Peabody Minerals	11p (c)	Dec. 1	9	14.7	14.7
Raglan Property	7.7p (b)	Jan. 4	0.3	1.24	1.24
Rotork	0.8p (f)	Dec. 8	1.4	2.58	2.58
Rustenburg Platinum	1.51p (d)	Jan. 7	1.4	17.64	17.64
Scottish Met. Prop.	1.35p (i)	Jan. 7	8.35	18.35	18.35
Teledy Minerals	1.35p (i)	Jan. 7	8.35	18.35	18.35
Union Platinum	13.0p (p)	Jan. 7	8.35	18.35	18.35
Waterfall (Rustenburg)	13.7p (p)	Jan. 7	8.35	18.35	18.35

* Equivalent after allowing for scrip issue. † Pence per share. ‡ On capital increased by rights and acquisition issues. § New equal to last year's gross. (a) Gross of 1.5p. (b) Gross of 5.39 per cent. (c) Gross of 7.7 per cent. (d) Gross of 1.05p. (e) Gross of 2.45p. (f) Gross of 4.41 per cent. (g) Gross of 3.675 per cent. (h) Gross of 0.643 per cent. (i) Gross of 0.42p. (j) Gross of 0.85p. (k) Gross of 1.0p. (l) Gross of 1.0p. (m) Gross of 2.0225p. (n) South African currency.

Haden Carrier problems

IT SEEMS UNLIKELY that the substantial improvement in Haden Carrier group profits for 1973 forecast earlier this year will be realised, chairman Mr. F. A. Palfreyman tells members.

He says the U.K. construction industry is suffering from shortage of manpower and material deliveries are lengthening in most parts of the world. This delays operations, reducing turnover and postponing completion dates.

These problems, combined with a continuing report of turnover in the metal finishing activity in the U.K. have had a particularly adverse effect on Carrier Engineering, which will make a significant loss this year.

The group's half-year figures show a turnover from a loss of £243,000 to a profit of £128,000 before tax of £180,000. The 1972 pre-tax profit was £1,800. The interim dividend is maintained at 2.3p share—1.75p net. Last year's total gross payment was £3,925,500.

1973	1972
Trading profit	11,660,000
Transfer	2,005,500
Profit before tax	13,665,500
C.R. tax	500,000
Foreign tax	100,000
Deferred tax	100,000
Total	13,965,500
Attributable	1,396,550
Interim dividend	1,396,550
First half investment income	1,396,550
Less investment income	1,396,550
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The directors announce that the acquisition of Chamberlain and Forster by subsidiary T. Morris and Sons for £74,000 cash has been completed and an agreement in principle has been reached for the acquisition by Peek Winch and Tod of Dickies Discount, discount food retailing in the West Country.	
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Consolidated Commercial has hardly had time to solve the margin problems of its new acquisition, Peek Winch and Tod, so the impact of this wholesale grocer is much more obvious in the 59m. increase in group sales at the half-way stage than in the £17,000 increase in domestic pre-tax profits. Most of this came from further advances in CC's other divisions, which range from food to building and cold storage. One encouraging sign is the 29 per cent. pre-tax expansion of the Nigerian biscuit concern. Assuming that a doubling of profits is possible for the full year, a prospective p/e of 12 at 135p for such a "widely diversified" group still seems to lean heavily on its management image.	

Turnover 1973 | 1972 || Trading profit | 11,660,000 | 11,660,000 |
Transfer	2,005,500	2,005,500
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The extraordinary debit arises principally in compensating retiring directors in the Peek Winch and Tod group.		
The interim dividend is lifted from 5 per cent. to 6.3 per cent. gross—4.1p per cent. net. Last year's total payment was 11.2 per cent. paid on pre-tax profits of £827,864.		
In his annual statement in June chairman Mr. H. A. Bainbridge said that the current year had started "exceedingly well."		
The directors announce that the acquisition of Chamberlain and Forster by subsidiary T. Morris and Sons for £74,000 cash has been completed and an agreement in principle has been reached for the acquisition by Peek Winch and Tod of Dickies Discount, discount food retailing in the West Country.		
• comment		
Consolidated Commercial has hardly had time to solve the margin problems of its new acquisition, Peek Winch and Tod, so the impact of this wholesale grocer is much more obvious in the 59m. increase in group sales at the half-way stage than in the £17,000 increase in domestic pre-tax profits. Most of this came from further advances in CC's other divisions, which range from food to building and cold storage. One encouraging sign is the 29 per cent. pre-tax expansion of the Nigerian biscuit concern. Assuming that a doubling of profits is possible for the full year, a prospective p/e of 12 at 135p for such a "widely diversified" group still seems to lean heavily on its management image.		

lessey set for further lvance this year

CLARK, chairman of £33m. (£39m.); operations outside U.K. £98m. (£76m.). Turnover by product is split as follows: telecommunications and transmission £142m. (£124m.); electronic equipment (including radar and radio) £75m. (£68m.); aerospace equipment and industrial hydraulics £20m. (£27m.); electronic and mechanical components £31m. (£44m.). Of the profit U.K. operations contributed £25m. (£19m.); and operations outside U.K. £5m. (£2m.).

Sir John says the most significant feature of group results is the contribution by the overseas operations and transition from loss to profit in the U.S.—further improvement is expected in the current year. He believes that Plessey can look forward to steady growth in volume and profitability in North American operations. The worldwide order intake at the beginning of the current year was £387m., 17 per cent. higher than in the previous year—33 per cent. higher overseas and 13 per cent. in the U.K.

On the telecommunications side the group's position is "very strong." The components sector continues to grow well and profitably and the order book generally stands at a record level. The

hydraulics business goes "from strength to strength" and is expanding overseas. The radar, communications and avionics divisions have fuller order books than ever before, reports the chairman.

During the year the investment in International Computers (Holdings) increased from 18 per cent. to 20 per cent. and it has now been accounted for as an associate. The balance sheet shows investments in associates at £20.22m. at June 30 (£23.7m.).

Overall liquidity improved by £12m., cash balances increased and both short and long-term loans were reduced. At the year-end expenditure contracted for totalled £106m. (£123.5m.) and there was £13.9m. (£25.1m.) authorised but uncontracted.

Emoluments of the chairman are shown at £85,175 (£47,518). There were seven other directors in the £27,501 to £55,000 bracket; and 30 U.K. employees (19) received between £10,001 and £22,500.

Meeting, Millbank Tower, S.W., November 1 at 11.45 a.m.

See Lex

Chairman's statement page 39
See Men and Matters Page 22

eemans (SW9) expansion

Three weeks ended August 31, 1973, the mail order company expanded from £24m. on a turnover of £42.57m., against £19.7m. on a turnover of £35.50m. against £19.7m. A small profit arising from the property development companies has been excluded.

Chairman, Mr. J. A. Rowland-Jones, reports that during the six months all subsidiaries had to absorb considerable increases in costs not readily recovered due to implications of the Prices and Incomes Policy. However, steps have been taken—and more will be taken—to rectify this situation, he says.

The Baby Deer figures clearly show the success of the "drastic" reorganisation now almost completed, he comments.

The building and development programmes of the recently acquired companies have not yet reached the stage to make a substantial contribution in this financial year.

"With the asset backing we have now acquired and the financial resources available, Phillips is now in a stronger position than it has been for the past decade," the chairman tells members.

of group properties. This showed a surplus of £350,000 over book value of freehold and long leasehold property.

Cradley Printing upturn

Taxable profit of the Cradley Printing group improved from £55,510 to £103,985 for the year to June 30, 1973 and the dividend is raised from equal to 10 per cent. adjusted for a scrip issue, to 11 per cent. gross—7.7 per cent. net. The company is "close."

Profit comprises: parent company £84,467 (£78,058), H. and E. Jones Printers—after management charge of £5,000 (£5,000) included in the parent's profits—£13,318 (£11,723) and Gosford Press £8,181 (loss £4,271).

Corporation tax plus income tax suffered on investment income is charged at £52,590 (£24,218) leaving the net profit at £74,076 compared with £81,292.

in the few weeks last 11 is encouraging, although "it must be at the rate of turnover for the whole year, than the 29.4 per cent. at half. Nevertheless growth in the group's is expected.

On 29 when Phase Two operation gross and net have been within levels, members are

dividend is 1.5p per 2.29p gross (2p). The consider that all the limited increase should to the interim.

for 1972-73 was 5.7275p. of £6.58m.

	1972-73	1973-74
Turnover	£42,570	£42,570
Profit	£19,700	£19,700
Dividend	1.5p	1.5p

idings has notified the that it now holds 12.5 of the equity. The say they remain firmly union that it is in the "best" of shareholders, customers that Freeman's independent retailing

ement page 26
See Lex

lips Patents id

profit of Phillips Holdings) for the half-year ended 1, 1973, rose 51 to £58,023, including from newly acquired in Components. Last tax profit was £36,105 extraordinary items—the was 0.71p gross.

of subsidiary companies; accounts the directors had put in hand a professional revaluation

Changes at CCH

CCH Investments announces the following changes in its group structure from October 1st to allow for further anticipated expansion of its activities.

The head office of the holding company is transferred from Glasgow to London. The hotel and inn division will continue to operate from Glasgow with the major hotel subsidiary Clydesdale Commonwealth Hotels (Management) being renamed Bulhaven Hotels—the small hotels and inns continue to be operated by Belhaven.

The brewing division Belhaven Brewery has formed a new subsidiary, Soft Sea Drinks, into which will be integrated the group's soft drinks business. Alexander of Montrose, and the division's operations will be centralised at Dunbar near Edinburgh.

Clydesdale Caribbean Holdings has ceased to trade as from September 30, 1973, following the Board's decision not to proceed with its previous declared intentions of expanding elsewhere in the Caribbean, other than in Bermuda. This company has been re-named CCH Properties and will be utilised to acquire and develop properties for the existing U.K. operating divisions of the group.

COUNTER-INFLATION ACT 1973

asury have given consent to the declaration by the following les of dividends of the total amounts specified for the 1 years ending on the specified dates:

agic Manufacturing	Manchester	£120,000	30.4.73
Textiles Ltd.	Crook	£23,031	28.4.73
Homes Investment	Edinburgh	£50,000	31.3.73
Rix Ltd.	Cambridge	£136,208	30.6.73

PRD

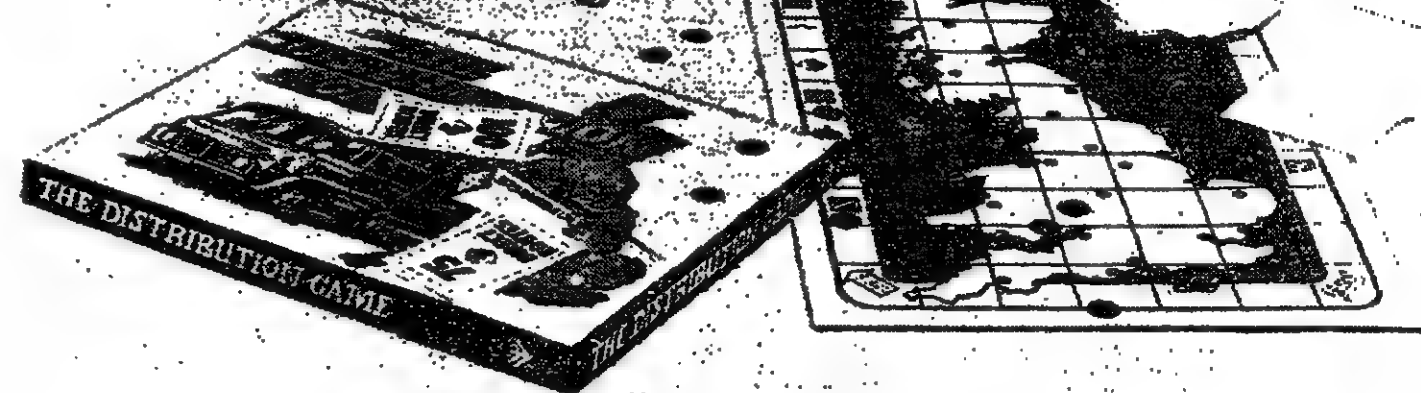
A new company has recently been formed by James C. McAllister and PRD Inc. of U.S. to promote the PRD range of electrical discharge machines throughout the U.K. and Europe.

Known as PRD (Electrical Discharge Machinery), the company which is based in Stroud, Glos. will also export machine tools and accessories to the U.S., Canada, South America and the Pacific area.

"If you don't go 'Direct' you pay a penalty."



"Pay up, then. You've just done Bristol/Middlesbrough through London."



We would never do that.

You can't get away with round-about routes in The Distribution Game. Certainly not when your service is as large and as comprehensive as ours.

Our countrywide 'Pacemaker Transits' are geared to the rapid distribution of packages. They are extremely fast services – and as regular as clockwork – on 1,700 direct routes throughout the U.K., linking all main centres of production and population without transshipments or other delays. They are backed by 80 branch organisations providing collection, delivery and a total distribution concept, all with the accent on speed.

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Taking The Distribution Game seriously

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New Issue
October 3, 1973

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Société européenne pour le financement de matériel ferroviaire, Bâle
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DM 50,000,000. —

8% Deutsche Mark Bearer Bonds of 1973

Offering price: 99 1/2 %
Interest: 8% p.a., payable annually on October 1
Redemption: on October 1, 1977 through 1988 in 12 annual instalments

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Aktiengesellschaft

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WÜRTTEMBERGISCHE LANDESKOMMUNALBANK
— GIROZENTRALE —

BAYERISCHE LANDESBANK
GIROZENTRALE
BERLINER HANDELS-GESELLSCHAFT
— FRANKFURTER BANK —
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Rustenburg beats its dividend forecast

BY KENNETH MARSTON

IN SHARP contrast with the recent decline in shares of companies with platinum interests—Johannesburg Consolidated and Union Corporation fell to new 1973 lows yesterday—South Africa's Rustenburg Platinum Mines announces sparkling results for the past year to August 31. The big producer has achieved record net profits of R40.9m. (£25.3m.) against R19.3m. in the poor 1971-72 year. Dramatically, the final dividend is boosted to R13.91 to make a total of R18.64 per share, more than double the previous year's single payment of R8.36. In March the company was still conservatively estimating an increase of about 30 per cent. in the total 1973-74 distribution.

Not surprisingly, Rustenburg states that demand for platinum continued buoyant throughout the year and adds that sales exceeded output from the refiners with the result that there was a reduction in stocks. Prices received for the by-product copper and nickel rose by 28 per cent. and 4 per cent. respectively.

The current capacity expansion target of 1,335m. ozs of platinum a year remains unaltered and Rustenburg says that the R97m. (£60m.) programme is currently ahead of schedule and within budget. As already announced, the cost of this is to be found from internal funds and loans.

No comment is given on current year's prospects but there is little doubt that the outlook remains set fair with platinum prices keeping up on a steady demand. The Rustenburg final dividend was followed yesterday by announcements of increased payments from the holding companies, Union Platinum, Waterval and Potgietersrust. In late dealings shares of the last-named responded to the results with a rise of 3p to 188p.

PAHANG PAYS THE SAME

The previously reported sale of Pahang Consolidated's rubber estate subsidiary, Kuala Reman Rubber Estates, has boosted the parent's pre-tax profits in the

SOUTHERN KINTA IS DOING WELL

Good results for Southern Kinta in the current year to next March are anticipated by the chairman of the Eastern tin producer, Sir Douglas Waring. In his statement with the annual report Sir Douglas comments that current prospects are reasonably favourable subject to tin market uncertainties arising from U.S. stockpile release policies.

Certainly a good start has been made to the current year with tin concentrate output improving to 949 metric tons in the past five months compared with 824 tons in the same period of 1971-72 when the year's total reached 2,441 tons. At the same time Penang tin prices have also been moving ahead.

Also encouraging is the marked improvements in performance of the company's basically experimental Takupa sea dredging operations in Thailand. At present it is reckoned that there should be sufficient payable ground for the sea dredge to work in the company's own leases and in the Bang Muang tribute area for the

RAND LEASES: HOPES LINGER

Although dampened by the recent annual report, hopes remain that South Africa's old Rand Leases gold mine may yet be reopened or may enter into a tributary agreement with the Main Reef or Durban Deep. Inevitably, the subject cropped up again at yesterday's annual meeting, reports our Johannesburg correspondent.

The problem is that much of the equipment has been sold and part of the mine has been flooded. The chairman, Mr. J. M. Meyer, said that studies made towards the end of 1972 in the light of rising gold prices indicated that it would cost some R2.5m.-R3m. to bring the mine back to production at a rate of 20,000 tons to 25,000 tons of ore per month from the 2m. tons of ore still fairly economically available.

This would require a gold price of about \$135 an ounce—it was \$97.75 yesterday—to ensure a reasonable return on capital. Thus the re-establishment of mining operations could not be recommended at the moment, but Mr. Meyer added that if gold stabilised at around \$136 an ounce in the fairly near future "the re-establishment of the mine on the limited scale mentioned could be a possibility." A final decision is expected before the end of next year. Rand Leases were unchanged at 28p yesterday.

ELSON & ROBBINS ACQUISITION

Elson and Robbins has acquired through its subsidiary Domestic Industrial Pressings, Thomas K. Webster for \$63,000 maximum in cash. Webster manufactures and distributes welded ducts and special fittings for hot air and air-conditioned equipment. Present annual turnover is \$400,000.

Telephone Rentals in France

Telephone Rentals has acquired for just under £12m. some 80 per cent. of the shares of a French company, La Téléphonie Européenne, operating in Paris and the surrounding areas in the sale, rental and maintenance of telephone installations.

By the end of 1973 it had built up an annual rental income of approximately Frs.42m., covered by 2,200 contracts. Its business is complementary to that of Telephone Rentals' French subsidiary, Le Téléautomate, which has not concentrated so exclusively on the telephone market.

The directors of Telephone Rentals feel this is the right time at which to extend the company's business in France and it is hoped that the new subsidiary will provide a useful foundation for the expansion of the telephone business in that country.

Consideration for the purchase is Frs.8.8m. (approximately £330,000 at current exchange rates) which Telephone Rentals will provide out of its own resources. In accordance with French exchange control requirements, the amount involved is being remitted to France in quarterly instalments.

Telephone Rentals has been advised and assisted in the negotiations by Kleinwort, Benson.

CENTURY SECS.

An extraordinary meeting of Century Securities is to be held on October 25 to approve the acquisition of a 90 per cent. interest in the voting, and 80 per cent. interest in the non-voting, equity of Hamilton Wholesale Supplies and Hamilton Electrical Distributors. Details of the acquisitions were reported on July 18.

T. H. WATHES IN REFRIGERATION

A further expansion, involving the takeover of British Automatic Refrigerators, based in Rotherham with branches in Bristol, Birmingham, Leeds and Manchester, is announced by T. H. Wathes and Co., Leicester, based electrical contractors and refrigeration sales and service engineers.

British Automatic, in addition to

its sales and service organisation, has a refrigeration factory at Rotherham which is included in the acquisition. Sir Leonard Dyer, the previous chairman, becomes a consultant to the Wathes Board.

This latest acquisition follows the absorption in August of this year of Fred Hawkes (Refrigeration) and I. F. Miller.

TST selling part of Imasco

Tobacco Securities Trust plans to sell on the Canadian market up to 500,000 shares of its holding in Imasco. The trust now holds 1,332,000 shares—about 14 per cent. of the outstanding Imasco shares. The reason for the sale, TST said, was that as a publicly quoted investment trust the Board considered that the holding in Imasco now represented too high a proportion of the total portfolio.

Because of the increase in market value of Imasco stock, its proportion of the TST portfolio had risen from about 15 per cent. to over 25 per cent. in the last four years.

TST has no plans for a further disposal of Imasco shares. A preliminary prospectus covering the offering was filed yesterday. The offer has been underwritten.

SHARE STAKES

Interests of Slater Walker Securities and its subsidiaries, together with investment trusts, unit trusts and fully discretionary investment clients under management, in Permalit totalled 3,892,250 Ordinary shares (29.42 per cent.) as at September 12.

Their interests in J. Bibby and Sons totalled 1,827,400 Ordinary (23.25 per cent.) at September 12. Their interests in Baker Perkins Holdings totalled 2,008,500 Ordinary (11.05 per cent.) at September 12.

Their interests in British Ropes totalled 4,188,500 Ordinary shares (10.83 per cent.) at September 25. The above disclosures are not

for purposes of Section 33 of the Companies Act, 1967.

Crest International and its subsidiaries are now interested in 400,000 shares (20.2 per cent.) of Reynolds (Excavations). Metal Products Company (Willehall) Limited has purchased a further 40,700 Ordinary in Charles Clifford Industries, making its holding 232,910 shares (28.23 per cent.).

White Child and Beney were notified on September 8 by Yorkgreen Investment Trust that it held 955,000 (15.57 per cent.) shares in the company, and on September 20 were notified that it had purchased an additional 25,000 shares during that week.

Consolidated Goldfields holding in British-Borneo Petroleum now amounts to 971,500 stock units.

Ralli Securities has acquired a further holding of 2,500 Ordinary shares in Bestwood making its total 620,000 shares.

Highland Tea Company of Ceylon has been informed that Mayfair Nominees bought 35,000 shares on April 26 and 30,000 on May 31 and its total holding is 13,17 per cent.

British Match-Wilkinson go ahead

Following the statement by the Minister for Trade and Consumer Affairs that he accepted the conclusion of the Monopolies Commission that the proposed merger between British Match and Wilkinson Sword is not against the public interest, the Boards of both companies confirm that all necessary steps are being taken to complete the merger as soon as possible on the present terms.

The relevant documents will be despatched to the shareholders of both companies as soon as practicable.

ELLIS & EVERARD PURCHASE

Ellis and Everard has acquired the 50 per cent. shareholding held by Hecroft Simpson (Holdings) in Kae Fuels, the Ellis and Everard associated company, for \$23,000 cash.

AGER AGENCY

The shares of Ager Underwriting Agency have been acquired by Manson Byng Oliver, Mrs. J. Burt, and Mr. E. Ager. The agency will continue to be under the management of Mrs. Burt and Mr. Ager and will underwrite the marine and aviation accounts on behalf of Fenton Insurance.

Pending further negotiation the Agency will continue to underwrite the facultative marine and aviation account on behalf of the Indemnity Guarantees Assurance until December 31, 1973. The underwriting room is at Asia House, 51-53, Lime Street.

SANTANDER

The Spanish brewing group, Cervezas de Santander, in which Cadbury Schweppes has just acquired a 50 per cent. stake, owns outright the Skol beer brand in Spain, and is not a franchisee of Skol International, the Allied Breweries subsidiary, as stated yesterday.

Under a technical agreement Skol International supplies technical assistance on request and is paid for this service. All the benefits of increased sales for Skol beer in Spain go through to Santander.

ASSOCIATES DEALS

Hoare and Co. Govett bought H. G. Warburg, bought for an associate 5,000 Shares, Sidley Ordinary at 384p and 2,800 at 363p.

TOKENGATE-SWIT

Tokengate Investment announces that at the meetings in London and Johannesburg and in Johannesburg

Guthrie extends in oil palm

Guthrie Ropel Berhad, a Malaysian subsidiary of the Guthrie Corporation, has acquired from the Johore State Government 10,000 acres of land in North Johore.

The company expects to spend \$2.25m. over the next five years in developing the new acquisition. The land, which is now wholly undeveloped, will be planted with oil palm. Consideration will also be given to other crops.

When the crop is mature and yielding, 20 per cent. of the acreage will revert to the Johore State Government and costs incurred to that stage will be refunded to the company.

Satisfactory Folkes Hefo trading

Confirmation that the current trading position of John Folkes Hefo is satisfactory and in line with expectations indicated in the annual report is given by chairman, Mr. J. W. Hearnshaw, in a letter to shareholders.

Further details of the acquisition for £1.1m. of Wright Hingley, the forerunner subsidiary of F. H. Lloyd Holdings, in the year to March 31, 1973, WH earned pre-tax profits of £189,922 on a turnover of £2,044m., compared with £120,252 on a turnover of £2,472m. the previous year.

Of the consideration, \$550,000 is being paid on January 1, 1974, with the balance in three annual instalments of £150,000.

WHEELLOCK MARDEN

Mr. T. A. Bushby, together with Mr. A. F. Jones, Mr. M. J. Zebec, and Mr. J. E. Jones, of Channel International Trust, has purchased the U.K. trading interests of Wheellock Marden and Co., including Wheellock Marden and Co. (London) which has now changed its name to C. B. J. Securities and will operate from 18 Finsbury Circus, London.

The Wheellock Marden Group will now be represented in the U.K. by Wheellock Marden (U.K.) which will also have its office at 18 Finsbury Circus. Miss Sheila Gray has been appointed resident director of Wheellock Marden (U.K.).

DEVELOPMENT SECURITIES

Mr. J. A. T. Bartow, chairman of Development Securities, has written to shareholders outlining the capital value and income effects on the company of accepting the recent offer by Prudential Assurance for Edger Investments Development, which owns the Dorchester Hotel and in which the McAlpine building family has an interest—owned 33.7 per cent. of Edger and in its 1971-72 accounts included Edger for the first time as an associate. Accepting Prudential's offer gives Development a 2.65 per cent. holding in Prudential.

UNIT TRUSTS

VAVASSEUR INCOME & ASSETS

Unitholders having approved the amalgamation of Vavasseur Income and Assets Trust with Vavasseur Midland Trust, Vavasseur Income and Assets Trust, the management company, has now announced the basis of allocation. For every 248 units in Capital Expansion holders receive 288 Income and Assets units; for every 248 units in Chart Fund there will be 315 units in I and A and for every 2 units in Midland the I and A recompense will be 278 units.

M & G SPECIAL

The interim distribution of M & G Special Trust Fund for the year to end February 1974 is 1.00p net per unit after 0.70p. During the six months August 11, 1973 the management has made reductions in the fund and food and drugs sectors of the portfolio and substantially increased the commodities content.

Galliford Brindley expansion

THE DIRECTORS of Galliford Brindley have completed the purchase of Crabtree Curtis, a specialist in the development of residential housing estates. Consideration was \$447,200 paid cash on completion.

Net assets of CB at May 2, were \$108,595, which both Brindley and Crabtree Curtis had a value "substantially" in excess of book.

Pre-tax profits of CB for year to that date amounted to \$53,009.

WGI-BAXTER

A number of discussions have been taken place between WGI and Baxter over the past few months but WGI had failed far to ascertain from the Baxter the price at which it would be willing to recommission to shareholders.

This is stated by Mr. D. Brooks, chief executive of WGI, in a letter accompanying formal offer of \$axter, closing date is October 24.

LONDON & NORTHERN

Peter Cameron (Builders) member of London and North Securities Group is to expand construction programme to include a housebuilding programme in the Aberdeen area. Its new title to be Bardolin Scotland. Joining the Bardolin Securities Board in this programme will be Mr. K. E. Kelly, present chairman and managing director of the Bardolin Group, together with D. R. Thomson, Bardolin's first director. Managing director is Mr. Walter Grant who will replace Little as deputy chair. Mr. Grant has many years' experience in the Cameron company.

Digital Equipment Corporation reports record sales and earnings.

Digital Equipment Corporation sales and earnings in fiscal 1973 reached their highest level in the company's 16-year history.

Worldwide sales increased 41% over 1972 to \$ 265,469,000. Nett income increased 54% to \$ 23,500,000. Earnings per share increased 45% to \$ 2.16.

Digital remains the world's largest manufacturer of mini-computers with over 25,000 installations worldwide. Over 5,000 in Europe. The PDP-11/45 computer, introduced in 1972, passed the 1,000 mark in total installations. And the DECsystem-10, our large-scale computer, enjoyed its best year ever.

	1973	1972
Nett sales	\$ 265,469,000	\$ 187,553,000
Income before taxes	\$ 37,200,000	\$ 25,100,000
Nett income	\$ 23,500,000	\$ 15,300,000
Nett income per share	\$ 2.16	\$ 1.49
Working capital	\$ 152,724,000	\$ 87,156,000
Property, plant, and equipment - nett	\$ 65,563,000	\$ 46,959,000
Retained earnings	\$ 88,286,000	\$ 64,786,000
Stockholders' equity	\$ 223,546,000	\$ 144,807,000
Depreciation	\$ 8,032,000	\$ 5,053,000
Research and engineering expense	\$ 24,933,000	\$ 20,137,000
Current ratio	3.4:1	2.8:1
Stockholders' equity per share	\$ 20.18	\$ 14.00
Number of shares of common stock outstanding	11,078,755	10,342,771
Number of employees	13,000	7,800

Digital Equipment Co. Ltd., Fountain House, Butts Centre, Reading RG1 7QN, Tel. (0734) 58 35 55.

European Headquarters: 81, route de l'Aire, 1211 Geneva 26, Switzerland, Tel. (022) 42 79 50.

digital

INTERIM STATEMENT

freemans

Interim consolidated financial statement for the 28 weeks ended 11th August 1973

All figures are subject to the year-end audit

		28 weeks ended 11th August 1973	28 weeks ended 12th August 1972	52 weeks ended 27th January 1973
2000's	Notes			
Turnover	1	42,566	32,895	67,263
Trading Profit		4,109	2,646	7,089
Interest payable		295	245	505
Profit before taxation		3,814	2,401	6,584
Taxation	2	1,836	960	2,545
Profit after taxation		1,978	1,441	4,039
Dividends	2	370 (net)	462 (gross)	1,065

Notes: 1 Turnover includes purchase tax and value added tax.
2 Changes in the taxation system which took effect from April 1973 have meant an increase in the rate of corporation tax and a reduction in the cost of dividends.

The Increases resulting from the first 28 weeks' trading are:—

Turnover + 29.4%
Profit before taxation + 58.9%

Present legislation limits any increase in dividend for 1973/74 to a maximum of 5% of the total paid in respect of the 1972/73 accounting year. The directors consider that the whole of this permitted increase should be added to the interim dividend and accordingly have declared an interim dividend at the rate of 1.6p per share (1972 equivalent 1.4p per share). It will be paid on 6th February 1974 to shareholders on the register on 11th January 1974. Sales during the first three months were unusually high due to pre-VAT buying. As a result earnings were strong and this accounts for the large increase in profits. Gross and net margins have been within our reference levels since 29th April 1973.

When Phase II of the Government's counter-inflation programme came into operation with regard to prices and profits.

Business during the few weeks since 11th August is encouraging. Although it must be likely that the rate of turnover growth for the whole year will be less than the 29.4% increase of the first half, we expect to see a continued growth in our market share. Sears Holdings Limited notified us on the 24th August 1973 that they held 2,875,000 ordinary shares and have since informed us of a further purchase of 20,000 shares, bringing their total holding to 12.5% of the equity. Your directors remain firmly of the opinion that it is in the best interests of shareholders, staff and customers that Freemans stay an independent retailing force.

2nd October 1973
Anthony Rampton
Chairman

Freemans (London SW9) Ltd. 139 Clapham Road London SW9 0HR

COMPANY NEWS

"Suits" to do even better

THE increase of 71 to 23.56m. in 1972-73 and Universal aspects to produce results in the curvy chairman Sir Hugh for the year ended 1973, included a full salmore Whyte and contribution of which entitled earlier expansion within the stry is envisaged and now has the opportunity in two estab- by breaking concerns isteries. Sir Hugh proposed new whisky could be greatly d within "Suits" and an umbrella to other in this industry which to join the group f these developments sed capital is to be 5m. year it was con- fouse of Fraser to 25 The balance-sheet unrealised surplus being the excess of e of the holding over Outram the rational- sures have been suc- have restored that return to a reasonable press of Scottish and Newspapers has con- vorts the chairman. rent year the textile f the Macnab group aggregated and placed management, as a diary and already this responding with an g level of profit.

Glasgow, October 25

ganisation

booker

book distribution divi- sioner McConnell has apidly in the past two to pursue the success- ment of its operations. as are to be created y 1, 1974 in the place ing division, which will retain the d Kingdom Food Divi- sion, will concentrate n food wholesaling g. The other, to be Health and Food- ing Division, will cover e and distribution of foods and speciality ell as chemists and stores. nges will coincide with ent of Mr. L. J. J. chairman of the exi- od Distribution Divi- Phillips will remain on of Booker McConnell ber 31, 1974, and his ll be available to the ns on a consultancy

man of the new U.K. on will be Mr. M. W. id the chairman of Food will be Mr. J. N. and Matters Page 22

fidence at pari

rectors of Campari r, camping and boat- oking with "great con- i the future, states Mr. 2472,861, the directors state. The group has increased its operation capacity in the current year and bookings are in line with predictions, they add. The first half, when the group incurs certain overheads for which revenue is received in the second six months, shows a loss of £129,233 (£54,274). Turnover rose to £2.9m. (£1.6m.). The interim dividend is main- tained at 1p gross—0.7p net. The previous total was 3.5p gross.

ENT ISSUES

EQUITIES

1973	Stock		Un- listed Price 1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	96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Raw materials

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Selective food subsidies not ruled out, says Heath

BY PETER BULLEN

THE PRIME MINISTER reaffirmed yesterday that the Government would not dogmatically oppose selective subsidies on basic foods.

Mr. Heath told the Milk Marketing Board's 40th anniversary luncheon in London that the Government was already helping to subsidise milk and butter prices at a cost of more than £80m a year.

But he emphasised that the practical answer to paying increased world prices for food was for Britain to earn more by producing, investing and selling more.

Outlining the reasons for increased food prices, Mr. Heath said that once again set out to dispel what he described as the "Great Market Myth", that food prices had risen because Britain had joined the EEC. In fact food prices had risen by less than 1p in the pound as a consequence of Britain's entry, he said.

Richer world

None the less there had been dramatic movements in world markets and prices had increased on a scale never seen before, mainly due to the demand being exerted by a bigger, richer world of many more people who wanted to buy things.

Among the uncontrollable factors was the weather, which led to the failure of the Russian wheat harvest in 1972, resulting in the Soviet Union changing from an

exporter of 6m. tons of wheat a year to an importer of 16m. tons. This alone increased world trade in wheat by 30 per cent.

China had also imported extra wheat and there was a similar story with coffee, cocoa, dried fruit, sugar and lamb, he declared.

On the other hand, tea prices were stable, beef prices were beginning to fall, and thanks to the good summer weather many vegetable and fruit prices had gone down.

"Of course grain prices may not stay at their present levels. Reports are now indicating that our farmers have produced a record harvest and it looks as though Russia and America are also likely to have a good year. If that's the case, it won't bring food prices rushing down in five minutes flat but at least we could hope that things will be more in balance and easier in future."

Mr. Heath said he believed in continuing an expansion policy. Costs had to be kept under control but at the present level of sterling British exports were highly competitive in world markets.

"Right now the volume of our exports is increasing about one and half times as fast as the volume of our imports."

That extra was needed to enable the Government to provide for the less well-off and pensioners to ensure they also kept up with but also shared positively in the country's prosperity, he said. Those who said pensioners could not afford to buy food were wrong. The amount of food they bought had been increasing by more than the average increase for the nation as a whole.

'Prices kept down'

The Price Commission had helped to keep food prices down. Since November, 1972 raw material costs of food manufacturers had risen by 28 per cent, which should have led to an increase of 20 per cent on whole sale prices for the raw material. Whereas the increase had been held at 11 per cent and the rise in retail prices of manufactured foods at only 8 per cent.

Turning to the immediate problems of milk producers, the Prime Minister said he fully recognised how the unexpected rise in feed costs had affected them. It had cut sharply into their margins, even though it came after two good years and though the longer-term prospects remained excellent.

Sir Richard Treharne, MBE, chairman, taking up the point, said milk producers awaited with anxiety and eagerness the Government's decisions on reimbursement of the cost of increased feed. He projected for the remainder of the winter the increased costs would mean that the profit margin of dairy farmers would be reduced by 44 per cent.

Sharp rally in copper market

By John Edwards

COPPER PRICES staged a sharp rally on the London Metal Exchange yesterday afternoon. A result cash wirebars ended the day at £13.5 up at £804.5 a metric ton, after falling to £780 at the end of the morning session.

Some heavy selling, believed to be on behalf of a large producer, depressed the market in the morning. But buying interest from Japan, Eastern Europe and rumours of fresh purchases by China soon pushed prices up again rapidly. The upward move was consolidated by the New York market opening firmly and rising near to the permissible limit up.

The values also showed a fluctuating day, sinking in early trading on "hedge" selling but recovering later for cash tin to close at £11.5 down at £2,152.5 a metric ton.

High silver prices blamed on speculation

WASHINGTON, Oct. 2.

SPECULATION is mainly to blame for the current high prices for silver, a spokesman for the U.S. Silver Users Association has said.

Walter Frankland, the association's executive vice-president, told a meeting of the National Association of Mirror Manufacturers that although industrial usage was up markedly over last year, silver supplies were sufficient to meet the demand. Silver prices would be lower were it not for unrest in international monetary affairs.

QUICKSILVER TALKS PLANNED

THE WORLD'S major quicksilver producers will meet in Mexico City on October 22 to examine the possibility of adopting a common stance to defend prices in view of the planned sales from the U.S. stockpile, trade sources said in Madrid yesterday.

The sources said Spain had already expressed concern to Washington and suggested disposal of the GSA material should be made at a rate not higher than 8,000 flasks per annum.

THE HARVEST

Best British maize crop ever grown

By DAVID RICHARDSON

THIS YEAR'S maize crops are probably the best that have ever been grown in this country. The hot, dry summer has produced enormous tonnages and ripened crops weeks earlier than usual.

Many farmers who grew maize for silage for their dairy cattle are embarrassed by the quantities they have to ensile, and some have decided to leave a few acres for harvesting as grain.

The drought has made it one of the worst on record for growing maize in Britain. Yields of the crop in the green state were poor and the quality of forage produced was mediocre.

Game cover

Many farmers trying to grow it for grain find it impossible to harvest because it did not ripen, and had to content themselves with using it as pheasant cover. One farmer I know in Fens shot 300 brace out of ten, but then had to plough it in.

Such a complete contrast in consecutive years indicates just how much the maize crop depends on good weather for success. But it appears that a growing number of farmers are prepared to take the risk.

Despite last year's problems, the acreage planted this year, at about 20,000, has been roughly double that of 1972. And although the majority is still grown south-east of a line across the Wash and the Bristol Channel, more farmers in the North and even in Scotland are planting steadily increasing acreages.

The Malze Development Association

These advantages were enthusiastically backed by Guy Wilsdon, of Dengie Manor Farms, on whose land the demonstration was held. He has been feeding his 700-head herd of British Friesians on a maize-silage diet for 15 years.

He feeds his milking cows 50 lbs per head a day and balances it with 15 lbs of dried lucerne cobs. This cuts the barley he needs to feed down to a minimum, and now that the price of barley is so high, he intends to increase his maize still further.

Already he has gone from 50 acres of maize in 1971 to 120 acres this year and he thinks he may increase to 200 acres in 1974.

The more acres grown and the more farmers growing it, the more systems emerge. One rela-

tion, whose third national forage maize demonstration was held near Southminster, Essex, yesterday, said that if letting the present trends continue the total area grown in the U.K. will reach 100,000 acres by 1975.

The advantages the association holds for maize are that it is a good break crop which can be followed by wheat (and with wheat at its present price that is a pretty important factor); it produces more silage per acre than grass, at a lower cost per ton, and the resultant feed has a high digestibility; it can be used as a cleaning crop because the chemical weed killers used will, if used correctly, also kill the worst of all perennial weeds, couch, and perhaps most important of all, cattle seem to like eating it, and milk yields and beef cattle growth rates are better than with most alternative feeds.

There is also some interest in harvesting the complete cob, grain and core, and chopping it. The idea is to dry and then pellet the resulting fairly concentrated material as a feed for pigs and chickens as well as ruminants.

Machines' role

In the main the machines at the demonstration were doing a reasonable job. Those that were not were quickly told to stop work and mark their machines rather than spoil the host farmer's forage. That was most encouraging and something I had not seen at a demonstration before.

The only other criticism of machinery was that it was almost exclusively imported. British manufacturers complain that the U.K. acreage gives them insufficient potential. But if the acreage grows as predicted, and they do not cut quickly, they will miss out on a very lucrative market.

Sugar talks breakdown feared

BY OUR OWN CORRESPONDENT

A BREAKDOWN in the UN Sugar Conference negotiations is being discussed privately as a possible result of the apparently very hard line being taken by importers on the question of prices.

Although the importing countries have yet to circulate their paper on a proposed sugar price range under the planned new agreement, it is understood that this will be very much lower than the one anticipated only a few days ago.

The paper will, of course, provide only the basic negotiating

GENEVA, Oct. 2.

position of the importers and the proposed price will be subject to adjustment. But sources close to the conference now doubt whether the upward adjustment under pressure from exporters will be sufficient to prevent an open clash.

The prices to be proposed are not really available but the indications are that they are hardly better than those in the present agreement.

The second largest importer, Canada, appears to be adopting a very hard position on the price issue, and the Canadian delegation has hinted to others in the conference that it has no

quotas under the Agreement.

COMMODITY MARKET REPORTS AND PRICES

METALS

Commodity	Unit	Price	Change
Aluminium	100 lbs	£250	+10
Copper	100 lbs	£135	+5
Gold	100 gms	£1,200	+10
Iron	100 lbs	£15	+1
Lead	100 lbs	£18	+1
Nickel	100 lbs	£120	+5
Platinum	100 gms	£1,500	+10
Silver	100 gms	£100	+5
Steel	100 lbs	£12	+1
Tin	100 lbs	£200	+10
Zinc	100 lbs	£10	+1

INTERIM STATEMENT

Interim Report
FPA CONSTRUCTION GROUP LIMITED

Directors announce that the unaudited results of the Group for the months ended 30th June, 1973, are as follows:

	30th June 1973	30th June 1972	31st Dec 1972
Revenue	7,808,544	4,549,198	10,773,613
Operating profit	729,961	310,180	824,039
Profit before tax	346,700	124,000	305,792
Profit after tax	333,261	186,180	518,247
Dividends	72,711	98,926	175,099

STATEMENT BY THE CHAIRMAN, MR. R. A. PALFREYMAN

He profitable growth of the Group continued in the first half of 1973, several factors contributing to the satisfactory increase in profits. The benefits from the acquisition of the activities of our construction companies which took place two years ago are beginning to work through, and profits are now being realised from the commercial and industrial developments started at the time. Many new development projects are in hand, and here and on the Continent, and it is expected that they will make significant contributions to profits over the next few years. All Group activities are proceeding at good levels, including house-building which is responsible for approximately 30% of Group profits. The directors are confident of the future of the Group and are anticipating a level of profits for the current year far in excess of those in the past.

Current regulations restrict the Board to declaring an interim dividend of 3.675% net (which is equivalent to a gross dividend of 5.1% compared with 5% gross paid last year. The dividend will be paid on 16th November, 1973, shareholders registered at the close of business on 9th October, 1973.

INVEST IN 50,000 BETTER TOMORROWS!!

people in the United Kingdom suffer from progressively increasing MULTIPLE SCLEROSIS—the cause and cure of which is still unknown—HELP US BRING THEM RELIEF

Help your donation to enable us to continue our work in CARE AND WELFARE OF MULTIPLE SCLEROSIS patients and to continue our commitment to find the cause of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Send a donation today to:

Room F.1
The Multiple Sclerosis Society of G.B. & N.I.
4 Tachbrook Street
London SW1 1SJ

COMMODITY MARKET REPORTS AND PRICES

COFFEE

<p> COCOA The recent boom in London appeared to have been run its course, and prices for the chocolate-making commodity have been leveling off. Interest, reports CIB and Duffus. </p>	<p> COCOA Yesterday's + or - Close </p>	<p> SUGAR Yesterday's + or - Close </p>
<p> Not Commed Dec. 1973 5980-7.00 -7.17-8280 10.00 Mar. 5840-5.55 -12.56-65-54.5 May 5840-5.55 -12.56-65.0 July 5810-6.00 -18 -5900-28.0 Oct. 5820-6.00 -11.50-20.0 September 5035-7.50 +10.3 October 4980 -0 </p> <p> Sales 3,964 (4,106) lots of 125 metric tons. </p>	<p> SUGAR LONDON DAILY PRICE—Unchanged at 14.0 per cent. for November delivery. Most conditions prevailed with prices restricted in a very parrot range, until late in the session a wave of buying for the near future was reported. The reports said to emanate from New York where Brazil was negotiating a long-term contract with Russia, reports from the Canadian government and a rumor spread on the closing call following a report of stop-loss buying, but some late </p>	<p> SUGAR where and in the mid: durum wheat, all mid: Rye, all 6.28, 5.38, and 1.74, rest wheat, all mid: oats, all mid: maize (other than hybrid) 4.25, rest mid: corn, all mid: millet, 6.24, 5.24, 1.40, rest mid: grain sorghum, 3.31, rest 1.40. Also effective for following: durum wheat, 1.40, rest 1.40; and rye flour, mid: rye flour, 17.66 (18.78). </p>

An outstanding year for Plessey...

...reports Sir John Clark

- Record sales of £325 million for the year
- Overseas business now exceeds £100 million
- Operating profit up 42% to record £32.4 million
- Overseas profits up £6.8 million to record £8.5 million
- Order level at £387 million

"I anticipate that the current financial year will see a further advance in sales, profits and the financial strength of the Company. In the longer term our plans for the development of new products, expansion of the existing Businesses, continued improvement in loss makers and low profit earners, and enhancement of management methods and controls will, I feel confident, result in Plessey achieving further profitable growth," states Sir John Clark, Chairman, in his report to the shareholders for the year ended June 30, 1973.

Other extracts from the Chairman's review are:

The most significant feature of the improved results is the contribution made by our overseas operations. In the previous year they contributed £1.7 million to the total profits. In the year under review this increased to £8.5 million, an improvement of £6.8 million. This was due not only to the transition from loss to profit in the USA but also to the very substantial and improved contributions from several other countries.

Telecommunications

Our position in telecommunications is very strong. We can fairly claim the largest single share in recent years of completed orders in the BPO's vast re-equipment plans; we have installed more electronic exchanges than anyone else in the world outside of the USA; we have growing manufacturing capabilities in Africa, Australia, Portugal, Brazil, Eire and the Far East; and in Canada this last year we have entered into an association with Northern Electric Co. which

I am sure will benefit both companies in the private systems field.

Components

This sector of the Company continues to grow well and profitably. Our market share in Europe develops steadily; in the North American market semi-conductor packaging and materials hold a very strong position.

Hydraulics - Aerospace

Our hydraulics business goes from strength to strength and is expanding overseas. Likewise our aircraft equipment divisions are expanding both at home and abroad and are diversifying into related fields.

Electronics

Radar, Communications and Avionics Divisions have fuller order books than ever before. The Air Traffic Control and Instrument Landing business procured from Standard Telephones & Cables has far exceeded our initial plans. Direct exports are increasing rapidly and the Company's high technological capability is being

eagerly sought by a great many countries.

Employees

Despite the unhappy experiences of many companies of disruptions and stoppages of production, I am glad to be able to report again that the relationships within this Company between all levels of employees have been relatively smooth and uninterrupted. While management continues, as I am sure we will, to give these matters the attention they demand, then there is no reason why this record should not continue.

External Forces

Even allowing for the vagaries of foreign exchange markets and our own national volatile balance of payments problems, I think it must be said that the present high cost of money represents a considerable disincentive to industry to pursue the Government's long sought after aim of greater investment in productive facilities. As long as cash can earn 16% on return we must be very selective in our industrial investment particularly in areas that may be less rewarding.

Consolidated Profit and Loss Account

	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964
Turnover	325.1	283.5	258.1	207.8	178.1	165.1	144.7	128.1	104.8	96.4
Other operating income	4.5	3.6	3.1	3.0	2.0	2.4	2.0	1.9	1.8	1.5
	329.6	287.0	261.2	210.8	181.1	167.5	146.7	129.0	105.6	96.9
Costs										
Cost of goods sold	262.0	232.5	209.7	163.2	140.0	133.8	116.9	102.1	79.9	73.7
Selling and administration expenses	35.2	31.7	28.1	22.9	19.8	16.4	14.9	14.2	11.1	10.0
	297.2	264.2	237.8	186.1	159.8	150.2	131.8	116.3	90.4	83.7
Operating Profit	32.4	22.8	23.4	24.7	21.3	17.3	14.8	12.7	15.2	13.2
Investment Income										
Associated companies	2.5	1.5	1.5	1.0	0.6	—	—	—	—	—
Other	1.4	1.0	1.0	1.7	1.2	0.7	0.3	0.6	1.1	0.7
Interest payable	4.8	4.5	4.5	2.5	2.0	2.1	1.4	1.2	1.1	0.9
Profit before taxation	31.5	20.8	21.4	24.9	21.1	15.9	13.8	12.1	15.2	13.0
*Taxation	72.1	31.1	35.5	11.1	9.5	6.5	5.7	4.7	5.1	6.0
	19.4	12.7	12.9	13.8	11.6	9.4	8.1	7.4	10.1	7.0
Minority interests	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Supplementary depreciation	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Profit before extraordinary items	19.1	12.4	12.5	13.4	11.2	9.0	7.8	6.8	9.5	7.0
Extraordinary items (net)	4.4	3.3	3.3	7.4	6.8	6.2	5.7	4.3	3.2	2.7
Dividends	6.9	3.3	3.3	7.4	6.8	6.2	5.7	4.3	3.2	2.7
Profit retained	16.6	3.1	1.9	6.0	4.4	2.8	2.1	2.5	6.3	4.3

*Including tax equalisation †Together with 30% tax credit equivalent on the pre-imputation tax basis to 9.8

The Annual General Meeting of The Plessey Company Limited will be held on Thursday, 1st November, 1973, at 11.45 a.m. at Millbank Tower, 21-24 Millbank, London SW1. The final dividend of 1.925 pence per share has been recommended and is, with the 30% Tax Credit, equivalent to 5 1/2%. This together with the interim dividend paid on 2nd July, 1973, is equivalent to a total distribution of 10.5% for the year compared with 10% in 1971/72.

The increase is the maximum permissible under the Government's counter-inflation legislation. The final dividend, if approved, will be paid on 14th November, 1973, to shareholders whose names are recorded in the Register at close of business on 5th October, 1973. Copies of the Plessey Annual Report are available on request from the Secretary at the Company's Registered Office: 2-60 Vicarage Lane, Ilford, Essex.

The Plessey Company Limited
PLESSEY
OPERATING INTERNATIONALLY IN 136 COUNTRIES



Playing backgammon at the Ladbroke Club, Mayfair

Backgammon finds a new generation of addicts

BY LEWIS DEYONG

ON OCTOBER 29, the first World Pairs Backgammon Cup will be awarded to the winner of a match between teams from the U.S. and Britain. The competition is to be played at the Clermont Club, London, the day before their annual backgammon tournament, and will be covered for American television by NBC. "With permission from the Gaming Board, we shall offer a £5,000 first prize," says Mr. Victor Lowmes, chairman of the Clermont.

The idea of this international match was conceived by Mr. Kenneth Wagg, and is the latest of a fast growing diary of backgammon events. Mr. Wagg, a lifelong player, who works in the City as an adviser to several foreign banks, issued the challenge, which was accepted by Mr. Barclay Cooke, doyen of American backgammon.

What is unusual about this challenge is the format—two man teams rather than single players. The match will be played at two separate tables simultaneously, as in a duplicate bridge tournament. One player from each team is designated "red," the other "white." Seated at each table is a "red" player versus a "white" opponent. The referee (in this case Alexis Obolensky) is seated in the centre and uses one set of dice whose rolls will be played at both boards.

Antiquity

He throws and then announces the roll: for example, "a six and a three, red." This six-three is then played by the "red" U.K. player at one table, and the "red" U.S. player at the other table. In other words, the pure luck element of how the dice

will roll is cancelled by applying each roll to both teams. The skill element is brought out. Backgammon is of great antiquity, Persian in origin, and its abrupt and unexpected changes of fortune have intrigued players since pre-Roman times. In medieval Britain, Chaucer played the game, calling it "Tables." Later, Samuel Pepys recorded his consistent winnings with delight.

Popularity

Now it has started on a new and wider cycle of popularity. In America the growth rate is very fast, and here the game, so long hidden in the card rooms of St. James's or Pall Mall, has suddenly attracted a whole new generation of addicts.

This surge of interest can be traced back to the first International Backgammon Tournament held at Freeport, Bahamas, in May, 1964, and organised by Alexis Obolensky. That week-end was a huge success and since then backgammon tournaments have become permanent fixtures. A tour now stretches from Beverly Hills to St. Moritz, with events in Las Vegas, Palm Beach, New York, Nassau, London, Biarritz, Monte Carlo, Gstaad and Marbella, with stops in between.

A typical tournament would be conducted over a long weekend's play. The prize money and stakes have steadily increased, and including the usual Calcutta auction pool, totals of £50,000 and more are not uncommon. A few dozen regular circuit players have developed, just as on golf or tennis tournaments. The competition lists are filled out by aficionados who come to

the tournaments hoping for a surprise on one of the recognised favourites.

A great deal of luck normally involved in a 13 15-point match of one to 10 hours between single players and this causes complaint among the experts. Play much longer matches would require a week to finish a tournament programme with a draw of 128 competitors. It is to cut down the element of luck that Mr. Wagg devised the two man team "Pairs Cup" event.

Each team has two players currently rated in the top 10 in world backgammon. U.S. has a father and son, Barclay and Walter Cooke, Englewood, New Jersey rank two and three respectively.

Walter Cooke once held International Championship three consecutive years. I father has been playing world class backgammon for 40 years. Representing Britain are Philip Martyn and Dwek Martyn recently won succession at Vienna, Austria. Carlo and Marbella. His partner studied at the Harvard Business School and lived in New York before coming to London, won the 1973 Gstaad Winter Tournament and was runner-up to Martyn at Marbella in August.

All these players are interested by the complicated inherent in the new duplicate format. The spectators at Clermont, following the play on closed circuit television, will expect some original tactics designed to meet a challenge. For those who strong opinions, Heathorn's bookmakers will be laying prices on the match.

STOCK EXCHANGE BUSINESS IN SEPTEMBER

Further fall in turnover

BY ERIC SHORT

CONFIDENCE IN general remained low throughout September on the Stock Exchange with few signs of any dramatic recovery. Turnover for the month fell still further from the low levels of August. Business in all securities fell £125m. to £3,217.2m. This was the lowest since October last year, a figure which excluded turnover in provincial exchanges. The turnover for these exchanges have been included only since April.

The number of bargains also declined, being 39,500 down at 371,683, the lowest monthly total since February, 1971, again a figure which did not include provincial deals.

However, there were two fewer business days in September than in August. The average number of bargains per day declined over the month, but the average value per bargain actually went ahead.

Conditions continued to be very quiet during September in the gilt-edged sector. Turnover fell slightly on the month, but again the average value of bargains improved noticeably.

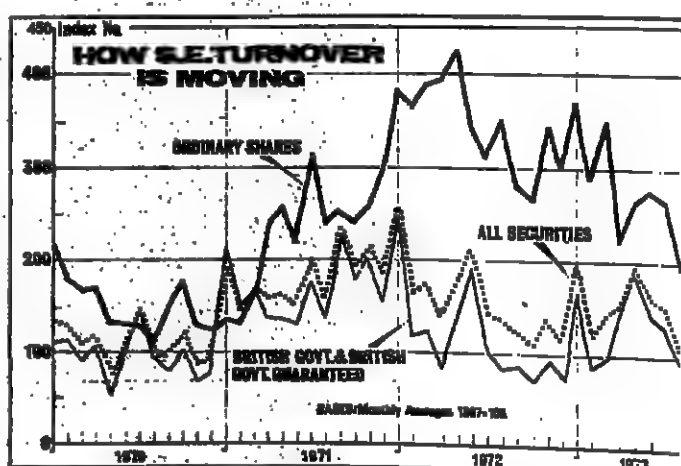
The Financial Times turnover index for Ordinary shares fell to 193.6 in September from 194.4 in August. The year's high for this index was 355.1 in January. The continuing weakness of sterling prevented much confidence from returning to the gilt-edged sector. The maintenance of the high level of interest rates kept gilt-edged prices at their lowest ever, but some recovery was seen towards the end of the month. The poor trade figures announced on September 13 appeared to have little effect.

The number of bargains done in gilt-edged fell by 4,000 to 35,573. Bargains were fewer but the average size in short-dated stocks was only marginally down: the fall occurred almost entirely in other Government securities. The Financial Times turnover index for British Government securities declined to 80.3 in September from 86.9 in August and the year's high of 188.7 in May.

The course of gilt-edged prices was illustrated by the performance of other fixed-income securities also went ahead by £27m. so that overall business on the month in all fixed-interest securities declined by £12m. to £2,132.4m.

Equities quiet
The equity sector also remained very quiet during September. Turnover was only £4m. lower at £1,084.8m. but the number of bargains dropped by 33,000 to 283,923, the lowest monthly figure for more than two and a half years. The average daily number of deals fell slightly on the month, but again the average value of bargains improved noticeably.

The slight recovery in equity prices was shown by the movement of the Financial Times Ordinary share index during September. From an August value of 414.4, it fell to the year's low of 404.3 on September 5. It then rose rather erratically to finish at month's high of 429.4 on September 28, a gain of 6.1 per cent from the low.



Interest securities also went ahead by £27m. so that overall business on the month in all fixed-interest securities declined by £12m. to £2,132.4m.

Government Securities declined from an end-August value of 64.30, it fell to its all-time low of 43.18 on September 6. It hovered just above this level for a few days, being 63.21 on September 13, then climbed steadily to end at the month's high of 64.22 on September 13, a rally from September 13 of 1.8 per cent.

Depressed conditions were evident in the equity market at the beginning of September as equity prices fell to their low for nearly two years. However, there was a gradual recovery over the second half of the month on improving hopes for the outlook after the Government's Phase Three package.

Good half-year results from British Petroleum, Imperial Chemical Industries and Investments drew a more favourable response. The slight recovery in equity prices was shown by the movement of the Financial Times Ordinary share index during September. From an August value of 414.4, it fell to the year's low of 404.3 on September 5. It then rose rather erratically to finish at month's high of 429.4 on September 28, a gain of 6.1 per cent from the low.

Category	Value of all purchases % of sales total	Number of bargains	% of total	Average value per day	Average value per bargain	Average no. of bargains per day
British Govt. and British Govt. Guaranteed: Short dated (having five years or less to run) ...	1,098.5 34.1	10,413	2.8	54.9	105,505	520
Others	799.8 24.9	35,461	6.9	40.0	31,411	1,273
Irish Govt.	22.3 0.7	1,578	0.4	1.1	14,139	79
U.K. Local Authority	31.9 0.9	5,093	1.4	4.1	18,050	235
Overseas Govt. Provincial and Municipal	4.3 0.1	1,637	0.4	0.5	5,994	82
Fixed Interest Stocks, Pref. and Prefd. Ord. Shares	120.1 3.7	33,578	9.0	6.0	3,376	1,679
Ordinary Shares	1,084.8 33.7	283,923	79.1	54.2	3,691	14,696
Total	3,217.2 100	371,683	100	160.9	8,656	18,584

*Average of all securities.

Need for Euro-Japanese deal on cars says Hunt

By ENSOR

Mr. Hunt made it clear that his remarks applied specifically to Japan, which still imports very few European cars despite the lowering of its tariff barrier. The Japanese are planning to introduce anti-pollution legislation on the lines of the Muskies proposed for the U.S., which will almost certainly make it much more expensive for the European industry to export to Japan.

In addition, difficulties of making cars to correspond with designs in Japan, which is necessary before a foreign car can be imported, have caused considerable frustration to several European exporters.

Protected

Eastern Europe was also included in Mr. Hunt's argument. He pointed out that British buyers alone bought 20,000 Russian, East German and Czech cars in the past eight months, three times as many as last year. "These cars," Mr. Hunt charged, "are being sold at unrealistic prices; there is no opportunity for the West to compete with direct exports to their markets, with totally protected home markets they are developing a sophisticated industry just as Japan was doing 15 years back."

COMMISSION DECISIONS

Our rises barred, withdrawn

COMMISSION, after applications for price increases for non-food products, has barred four and withdrawn 14. Of those allowed, 10 were for consumer goods and 11 industrial products.

Commission rejected:

- Manufacturers (Reed) - Application for increasing 8.11 per cent, in wall coverings. The Commission said that the price would not cause the company to exceed its profit margin level.
- per and Board U.K. - Application for increase of 1.7 per cent, in newspaper, based on increase in exchange rates. The Commission said that the price would not cause the company to exceed its profit margin level.
- and replacement services - Application for 13.514 per cent, increase in contract work. The Commission said that the price would not cause the company to exceed its profit margin level.
- and replacement services - Application for 13.514 per cent, increase in contract work. The Commission said that the price would not cause the company to exceed its profit margin level.

Channel links conference in November

MR. JOHN PEYTON, Minister for Transport Industries, and Mr. Anthony Crosland, Opposition spokesman on the Environment, will outline Government and Opposition policies for the Channel Tunnel development at a two-day Financial Times Conference on "Transport Links Between Britain and the Continent," at the Royal Lancaster Hotel, London, on November 20 and 21.

The conference, which has been organised following the Government's announcement of its Channel Tunnel plans, will enable delegates to study the proposals. The speakers will also consider alternatives to the tunnel and the future for existing surface and air links.

Speakers will include Mr. Alastair Frampton, managing director and project manager of the British Channel Tunnel Company; Mr. A. F. Cornish, transport consultant to the Channel Tunnel; Mr. Keith Wickenden, chairman of European Ferries; Mr. David McKenna, a member of the British Railways Board; Mr. T. D. Keegan, chairman of British Air Ferries; and Mr. M. J. Mott, vice-president of the Little Chamber of Commerce and Industry.

The conference chairman will be Mr. Henry Marking, group managing director of the British Airways Board, and Lord Shackleton, a director of the Rio Tinto Zinc Corporation.

Newhaven passenger terminal opens

A £40,000 passenger terminal at Newhaven, part of the extensive modernisation of Sealink's facilities on the route to Dieppe, was opened by the French Ambassador, M. Jacques de Beaumarchais, yesterday.

The terminal, which includes a port office, brings the recent investment in the service to more than £40m. A new £4m, multi-purpose ship, the *Seine*, was introduced in the route this summer and a freight shed costing £200,000 came into use in August.

Mr. David McKenna, chairman of British Rail Shipping and international services division, said that traffic of all kinds using the port had increased over the past few years.

Engineers call for tough stand on EEC

By HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

THE GOVERNMENT was urged to adopt a tough stance in Common Market negotiations yesterday by Mr. V. E. Price, President of the Engineering Industries Association.

Although it was too early to give a balanced opinion on whether Britain should have entered the EEC, it was not too soon to impress on the Government that it must negotiate toughly at all levels.

"It seems almost suicidal for us to pay large agricultural support to the French, while they reorganise industry to become more industrial and then compete in fields in which they have not previously participated."

Mr. Price was speaking in Newcastle Upon Tyne, where he

Birmingham show centre bookings pass break-even

By PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THE £18m. National Exhibition Centre, due to open near Birmingham Airport in 1976, has already passed the first year's break-even point, attracting bookings totalling the full 1m. square feet of the site on 150 days.

In 1977 it stages the International Furniture Show—one of the biggest shows at Earls Court after the Motor Show. It is also the first show to which the public will be admitted.

A memorandum of intent was signed yesterday by BFM Exhibitions on behalf of the

Pensioners hit by food prices

Financial Times Reporter

RISING FOOD prices are forcing old-age pensioners to eat less well than they did a year ago, according to a survey of over 1,200 old people carried out by Age Concern. The report, published yesterday, shows that many pensioners can no longer afford to buy meat and that some old people are going without protein rather than buying the more expensive alternatives to meat.

Limited incomes, says the report, means that pensioners are already spending 25 per cent. less on food per head than the population as a whole. But because old people spend a higher proportion of their income on food than the national average, pensioners are more vulnerable to rising food prices than other sections of the community.

The report also highlights the problems encountered by old age pensioners shopping in a mass market economy. Nearly half the pensioners interviewed were worried that small-sized cans and packaging were disappearing.

Decimal coinage is still causing pensioners problems. Well over half those interviewed found the 50p coin difficult to distinguish from the 10p piece. Even more worrying, says the report, two and half years after the changeover to decimal coinage, a quarter of old people still found the new money difficult to use, and many more still had to convert their purchases back into pounds, shillings and pence.

Shopping for food: available from Age Concern, 55, Gower Street, London WC1E 6HJ; 10p

Record number of ships lost last year

By LORNE BARLING

THE NUMBER of ships lost last year through fire and foundering was the highest ever recorded, according to the casualty return of Lloyd's Register of Shipping.

A total of 136 foundered during the year, with a tonnage of 23,948 tons lost, the second highest figure recorded. The largest ship lost was the Greek tanker *Trader* of 21,369 tons gross, built in 1957.

While the 83 ships lost as a result of fire was equal to the previous highest figure, the tonnage showed an increase of 76,379 tons from the previous year and was the highest ever recorded.

The total tonnage lost by the world fleet during 1972 at 848,336 tons gross, was 81,224 tons less than during 1971 when the figure of more than a millions tons was recorded for the first time.

The number of ships lost (371) is marginally short of the highest peacetime figure ever recorded. A total of 75 ships, mostly small craft, were under the Japanese flag.

Losses through fire during 1972 included eight oil tankers and 18 ships were burnt out while in port. The largest ship lost was the passenger ship *Seawise University*, formerly the *Queen Elizabeth*. She was destroyed by fire while under-

Lack of skilled workers limits moquette trade

THE HALIFAX moquette manufacturers, John Holdsworth and Company, has turned down export business worth £250,000 at its Shaw Lodge Mills, because it cannot find enough skilled workers.

Holdsworth is the principal supplier to British Railways and London Transport, and also accounts for more than 75 per cent. of home market requirements for moquette (carpet and upholstery fabric) for coaches and buses.

One quarter of its production is exported, but twice as much could be sold overseas if the company could obtain skilled workers, said Mr. Philip Sunderland, sales director, who is also president of Halifax and District Chamber of Commerce.

Since this is the way things are going, maybe you should as well.

A new attitude to management and administration is the inevitable outcome of the physical and telecommunications advances of the past few years.

The developments have been so extensive that they require radical rethinking of company policies, particularly as regards decentralisation.

A common excuse for sitting a company's offices in central London is the need for good business communications.

This was a sound argument in the first half of the twentieth century. But how often does it really stand up in the 1970's?

You should spend a day wandering around the Business Efficiency Exhibition this week.

Get up to date on the revolution in telephone, telefax, facsimile transceiver, electro writer, private cable, wide-band circuit, Confravision, data transmission, mail and radio 'phone communications. The revolution is still gathering momentum.

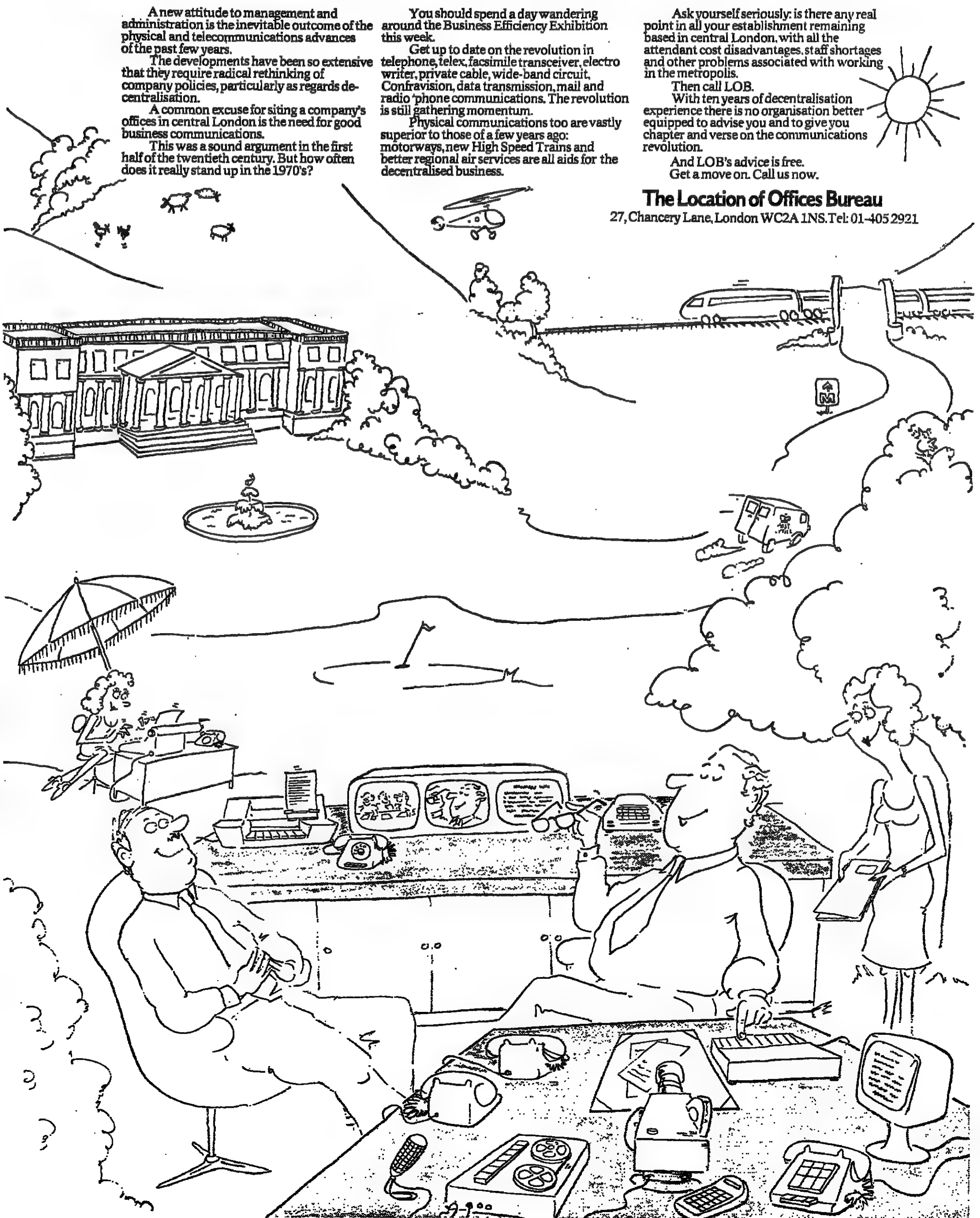
Physical communications too are vastly superior to those of a few years ago: motorways, new High Speed Trains and better regional air services are all aids for the decentralised business.

Ask yourself seriously: is there any real point in all your establishment remaining based in central London, with all the attendant cost disadvantages, staff shortages and other problems associated with working in the metropolis.

Then call LOB. With ten years of decentralisation experience there is no organisation better equipped to advise you and to give you chapter and verse on the communications revolution.

And LOB's advice is free. Get a move on. Call us now.

The Location of Offices Bureau
27, Chancery Lane, London WC2A 1NS. Tel: 01-405 2921



How the British Steel Corporation will invest £3,000 million in 10 years to make it one of the most profitable and productive steelmakers in the world

In 1967 when the British Steel Corporation was established, it began an enormous modernisation programme. Capital investment has been increased from £73 million in 1967-68 to an average of £200 million over the past two years, and we have already turned a £68 million loss into a £3 million profit.

In December 1972 the Government approved our 10 year strategy to complete this programme. It requires an investment of a further £3,000 million - three times what has been spent on Britain's entire motorway system to date. (Nearly 50% of this will be self-generated by BSC from earnings retained in the business.)

THE TIMES

Nixon
ed to
Oenas

BSC turns loss of £68m into profit of nearly £3m

Hijacker
blow up
jumbo as
137 escape

By Graham Hughes
The Sunday Times Correspondent
LONDON

The Corporation will be completely modernised. New Basic Oxygen converters now make 300 tonnes of steel in 40 minutes. Open Hearth furnaces, which still make nearly 40% of our steel, take 6-8 hours. By 1983, BSC will make all bulk steel by Basic Oxygen. Extensive development of steel finishing operations will be undertaken. Ebbw Vale will see the further development of tinplate production and Shotton's coated steel sheet lines will be greatly increased.

However, increasing efficiency will mean that by 1983, BSC will require 50,000 fewer men.

Although the Corporation will provide every opportunity possible for transfer or retraining, the reduction in manpower which will be required over the next ten years is still an enormous human problem. BSC, the Government and the TUC's Steel Industry Consultative Committee are taking steps to make sure that it is solved effectively and with compassion.

But the jobs remaining will be much more secure, with greater opportunity, job satisfaction and rewards. New industries will be encouraged to enter areas affected by BSC closures. They will be offered incentives to make the move. Some BSC facilities will be kept open and used as centres for the retraining of men for jobs in other industries. British industry in general (especially the construction and plant manufacturing industries) will also benefit from the plan in that they will receive orders that will mean work for something like 70,000 people.

BSC develops new steels. Plastic-coated steels for buildings, sound-deadening steels, and the stainless steel for long-life car exhaust systems.

And new steels mean new engineering. It is because new High Yield Stress Steels have been developed that the Humber Bridge can be built with a free middle span of 4,626 clear feet - the longest in the world.

More and better steel - for more and better hospitals, schools, cars, ships, and all the myriad things steel goes into.

Concentration, modernisation, expansion - but streamlining steel goes much further than this. A substantial part of every new investment, running into £ millions, covers measures to improve the environment and combat pollution.

In 1967 steel exports were worth £194 million. In 1972-73, £254 million. By 1982/3 they could be worth as much as £500 million.

"My dad says there weren't any fish here when he was a boy."

Without this streamlining BSC could not withstand ever-increasing foreign competition. The industry would decline, more jobs would be lost, those remaining be uncertain. As it is, by 1983, British Steel will be one of the most modern, successful, and secure steelmakers in the world.

The British Steel Corporation is your organisation. We have briefly sketched here the way in which we shall streamline it over the next ten years. In the following months other advertisements will appear dealing in greater detail with some of the areas touched on here.

For free copies of this advertisement and others in this series write to:
The Publicity Manager, British Steel Corporation,
P.O. Box No. 403, 33 Grosvenor Place, London,
SW1X 7JG.

BRITISH STEEL CORPORATION



STREAMLINED STEEL

مركز العمل

SECOND DAY REPORT BY PHILIP RAWSTORNE AND JOHN ELLIOTT

Blackpool, October 2

Wilson sets course for the election

AN EXHILARATED Labour Party launched itself here today towards the election on a flood of public ownership policies. "Relevant, radical and right," the course was called by Mr. Harold Wilson, skillfully retaining his grip on the tiller.

The nationalisation programme swept the conference like an irresistible tide. Mr. Roy Jenkins identified in his caution as a "faithful," was all but submerged in its wake. Mr. Eric Heffer and other left wingers were forced to abandon their attempts to bring aboard the 25 companies and no compensation commitments.

Whatever its eventual fortunes among the uncertain electoral currents, nothing today could divert the party from its strategy.

The prize and the purpose of Labour's

massive extension of social ownership, Mr. Wilson said would be to bring economic power under democratic political control. National wealth and welfare depended not only on the efficiency of industry but on its mobilisation for the service of the community. The irresponsible power that the factories and soulless national and multi-national corporations wielded over the lives of workers and their families now had to be harnessed.

Cheered almost to the rafters, Mr. Wilson plumed the industrial and financial depths over which the new Labour Government would assert itself, building land, North Sea oil and other minerals, the docks and ports, aircraft and shipbuilding.

The grasp of Government control would extend to the full reach of Government

aid, he said. Its grip would be felt in the pharmaceutical, machine tool, construction and road haulage industries and in many other profitable areas of private manufacture. Everywhere there would be a real infusion of industrial democracy.

Labour would control the building societies, enter the banking field and cleanse the City of London where the "hills, water of capitalism" was being "sloshed to and fro" in the Stock Exchange.

After that, Mr. Wilson had little difficulty in persuading delegates that the argument over the specific nationalisation of 25 companies was irrelevant—and with the major unions behind him, the issue was finally thrown overboard by a 5m. vote majority.

Doubts about Mr. Wilson's wholehearted captaincy were largely dispelled and doubts about the party's ability to carry the voters with it, given short shrift.

Mr. Jenkins found sympathy for his plea that the party should not undertake any venture that it could not complete. He roused more than a little irritation, however, by his apparent suggestion that its sails should be trimmed to pick up public support.

Mr. Charles Loughlin, MP for Gloucestershire West, was given a massive cheer for bluntly informing the former deputy leader that the party did not intend to risk the loyalty of the crew to pick up floating voters.

Mr. Wedgwood Benn, clearly regarded

by conference as well as by himself as the chief stoker of the public ownership engines, thrust the party onwards with a vision of victory.

Workers today were more afraid of a Slater Walker take-over than of one by the Government, he said. They could be mobilised behind Labour's policy. "We are not, never have been, and never will be a party of confusion," Mr. Benn declared, but added that a real shift in power would be made to meet the needs of the country.

Even if the Labour Government inherited an economic crisis, that would be "the occasion for fundamental change and not the excuse for postponing it," he said.

"We have had enough experience now to know that nationalisation plus Lord Roberts does not add up to Socialism."

'The commanding heights of the seventies and eighties'

INTRODUCING THE nationalisation section of the programme to the party conference at Blackpool, Mr. Wilson said that on what they approved today for the creation of national wealth rested the fulfilment of all the social policies to be debated for the rest of the week.

He warned delegates: "It is not a question of acceptance by this conference alone. If our words here are to become the reality of life in Britain for the next generation what we accept here must be acceptable to the British people. So that this policy is the policy of Britain's next government."

"We are debating not what we would like to do if we had political power, but what we must do to ensure our debates into the reality of political power."

Otherwise this party will be reduced for years to the frustrations of parliamentary opposition, while, powerless, we watch Britain's decline and the creation of still deeper divisions within our society.

After criticising Government policy on unemployment and the economy, he said the humiliating Common Market terms had now been set to music.

He (Mr. Heffer) started with a familiar theme: the need to a plan to render of a Buddy Con You Spare a Mark, while the music is drowned by the strains of Elgar's Pomp and Circumstance as Lord Rothschild thunders out the Dead March from Saul.

Instead of a robust and responsible state of industry they have created a divisive society whose main priority is based on making money out of money.

"We have the biggest budget deficit in Britain's history, financed by a spendthrift Prime Minister turning the monetary printing press with all the enthusiasm of a novice head of government of one of the more prudish banana states."

"The country is divided by industrial confrontation and the imposition of an irrelevant and brutalising localism on our industrial relations—on our own people even by its parents and awaiting the arrival of a Labour Government to consign it to the darkest recesses of the Inns of Court Conservative Association, from which it should never have been excluded."

Mr. Wilson said Britain was divided by the poverty trap, the privations of the low-paid, the large family in a national community. "This is the bitter to-morrow," he said. "Three years after the promise: where we accumulate and men decay."

Labour's programme was "the assertion of the relevance of an up-to-date socialism to the problems of today. It is the commanding heights—not of the forties or fifties we seek to

storm, but those of the seventies and eighties."

The Labour Government of the seventies and beyond would rival Clem. Attlee's Government in relevance and resolution.

"Only if we now empower it to recognise that the commanding heights of this generation are not the hard-faced individuals of pre-war capitalism, who were identifiable and human. They are now increasingly anonymous, unidentifiable, more often soulless corporations, national and multi-national."

It had been brought home to the British people that behind the respectable facade of the establishment, the state-owned, figure, redundancy payments, the loss of a bridge, held office on promotion to a more important job, in London.

"This is a community where there are still former miners paraplegic or pneumoconiosis not many miles from here, whose total pension or compensation pay off never got near 1 per cent. of such a figure, and whose wage for work in arduous, dangerous, dirty conditions always bore its share of deductions and stoppages because it was paid in this country, not in the Cayman Islands."

Mr. Wilson then attacked the multi-national corporations as "capable in their remote boardroom fastnesses of closing down whole communities, imperilling the monetary reserves and threatening the currencies of free nations—yes, and remembering President Allende, of seeking to subvert elected governments."

Democracy was affronted, when one man found his world shattered by a decision taken hundreds or even thousands of miles away by people of whom he has never heard.

"His redundancy notice, as like as not, might have been the result of a smart deal where some very slick young man saw a chance of buying mixed enterprise with perhaps millions more pounds to make, for him, not for the community, not for the national welfare, by developing and rack-renting the property value, than by keeping even a viable factory going."

"Too often unemployment and redundancies are the consequences of a degree of managerial and directorial competence which, as I have found, would not be capable of running a chip shop unless the vinegar bottle were automated."

The case for public ownership of land required no argument, although there was room for argument about the method.

On recent proposals to transform owner-occupier freeholds into leaseholds, Mr. Wilson said: "I cannot accept it. This movement fought for years to end the old pernicious system and the battle was won in 1967 by

the Labour Government. It is not going to be reopened now."

Mr. Wilson said what was right for the land was also right for mineral wealth under the land and under the waters around it.

"We shall therefore restore minerals lying beneath our land to the people whose birthright it is."

"The national asset of North Sea gas and oil of the Celtic seas in every sense of the word must be owned by the nation in a world threatened by a shortage of energy Britain must have the power to decide who gets our new-found mineral wealth."

Mr. Wilson said the next Labour Government would take the ports, into public ownership, including: unregistered ports as well as registered and estuarial docks and wharves.

Shipbuilding, ancillary industries and aircraft production would be taken into public ownership.

"It is now widely accepted that neither of these groups of industry could have survived for more than a few months without the massive State assistance provided by successive Labour and Conservative Governments."

They would take into national ownership identifiable sections or individual firms within the pharmaceutical, machine tool, construction and road haulage industries.

They would return to public ownership public property franchises, licences and assets which the present Government has handed over to their friends since June, 1970.

They would restore to existing nationalised industries freedom to compete with private industry and to manufacture for export.

"We shall introduce the planning agreements system with major industrial companies. The planning agreements system will be reinforced by a new Industry Act."

The Act would provide the Government with powers, under planning agreements, to provide support, needed by the national interest, to individual companies in return for a public shareholding.

There would be powers to seek agreement over prices, profits, investment programmes, overseas trade, industrial relations and industrial democracy.

The Act would provide power to invest in individual companies or purchase them outright—by agreement if practicable or by statutory instrument where the national interest required.

Mr. Wilson said: "All the powers of the Industry Act will apply to multinational companies operating in this country in the same way as British-owned firms."

After outlining the functions of the proposed National Enterprise Board, which would control and manage State assets, Mr.

Wilson said it was in that section of their programme that the reference occurred to an unnamed 25 out of a list of 100 companies.

"This matter has aroused some difference of opinion. Some think the number is too small."

"Some think that to perm any 25 out of 100 is not as scientific a method as going through the yellow pages of the telephone directory blindfold with a bodkin to identify the candidate companies."

"My own view on the 25 companies proposal has been stated: I am against it. The Parliamentary Committee is against it."

"I will leave it with these words—that the Parliamentary Committee charged by the constitution with the duty of sifting down with the executive to select, from the programme adopted by the conference, the items for inclusion in the election manifesto, entirely reserves its full constitutional rights on this matter and there can be nothing more comradely than that."

He said it was of paramount urgency to take major decisions involving the transfer of responsibility for the finance of the nation's housing to the Government.

Mr. Wilson spoke of "the farce of Mr. Heath's free market for money and interest rates," and said: "Young families looking for a home, working all the hours God sends in overtime and extra part-time jobs to raise the deposit, are first gaoled and then gaoled again. Now they are faced either with a denial of mortgage facilities or mortgage facilities at 11 per cent."

They could not leave the supply of money for the people's housing to the jostling and buffeting between building societies and other financial institutions in a system of chaotic money rates.

"We need to reintroduce a system of priorities and allocations for borrowing, with essential needs, including housing, put first."

"I should like to see examination given to a national housing finance corporation for this purpose, to ensure that the finance is there for the national housing programme, public and private, laid down year-by-year by the Government on the basis of housing need and the resources available and allocated to that purpose."

"This does not mean the immediate nationalisation of all the powers of building societies, but it does mean that the Government takes responsibility for ensuring that they get the money at reasonable rates for re-lending at reasonable rates to the owner-occupier."

It would add to the dangerous public misadventure with parties, with politics and with politicians.

"This country cannot afford a further let-down such as we have seen, particularly in the past three years. If it happens it will be the democratic process as a whole which will suffer."

"The beneficiaries from that won't be any of us, but some much more sinister forces. But this does not mean expressive caution, a risk-nothing government and do nothing but do nothing."

Mr. Wedgwood Benn, Shadow Trade and Industry Secretary, winding up the debate, was applauded when he declared: "Those who talk about public ownership as if it represents a threat had better realise the truth that there are millions of workers right up to management level who are much more frightened to-day at the possibility that Slater Walker will take them over and steal their assets and close them down."

On the 25 companies issue, Mr. Benn said: "We were seeking to give some numerical significance to a better-known phrase—the commanding heights of the economy—long accepted as the party's objective."

"We have by our programme this year provided the first serious public debate about public ownership for a generation, and for that we must be very grateful."

"If those of us who have joined in this comradely debate have acted as a lightning conductor for the attacks of our opponents, we have been getting a little battle practice for what will be happening over the whole range of our programme when people realise how radical it is."

Speaking of the large companies, including multinationals, which they would take over, he went on: "We know, and we must say that if we do not control or own them they will control and own us (applause)."

"It is not just a matter of efficiency and investment or of regional policy, but a matter of political power."

On the question of compensation he said: "We are not and never will be a party of confiscation, but we will not over-look channels."

Scornfully he rejected the idea of one worker on the Board as being industrial democracy.

"We reject co-ownership and phoney works councils—all the power to channel employment there without having to rely on driving and bullying businessmen."

Delegates cheered as he said: "Industrial democracy begins now. We don't have to wait for the legislation we intend to introduce to begin the process of debate and dialogue within industry."

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Mr. Wilson acknowledges his standing ovation. On his left is Mrs. Barbara Castle.

Jenkins warning: Don't think we've won yet

SPEAKING IN the public ownership debate, Mr. Roy Jenkins, MP for Stechford, said that in policy formulations and presentation, the party should never lose sight of two major considerations.

It must attract as much support as it could in a relatively short time between now and the next election.

"I do not regard that election as already won. I think the Party will make a mistake if it thinks so. Furthermore, the victory if it is to be an effective foundation for action, needs to be a positive one and not one merely gained by default."

"It is no good talking about 'fundamental and irreversible changes' in our society being achieved with a 38 per cent Labour voting potential, as at present which is less than we had at the last General Election."

"You need a stronger moral position than this to govern effectively, still less to effect a peaceful social revolution."

"Our programme must be capable of being carried out in the most difficult economic circumstances."

He told delegates that to do otherwise and to vote for things they did not believe in, their hearts could and would be done, was irresponsible thinking.

It would add to the dangerous public misadventure with parties, with politics and with politicians.

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Take-over 'must be argued on merits'

demanded greater ownership of private industry were discussed by the party after Mr. Wilson's speech in the name of Kempthorne, Labour desired the take-over to be by the companies, not by the Government.

Mr. Wilson said: "We believe that the NEC proposals strike the proper balance, and we support them."

Mr. Roy Jenkins, of Sheffield, seconding the engineers' motion, said it was a clear, qualified commitment to public ownership without compromise.

The commitment could not be fulfilled within one term of a Labour Government, and for this reason he supported the NEC's proposals—25 companies and all.

If they continued to ignore the reality of the situation, there would be two nations within the party—one taking decisions and the other in Westminster ignoring them.

A resolution from the Association of Professional, Executive, Clerical and Computer Staff said the NEC when drawing up the election manifesto "should commit the party to a programme which is capable of being carried out in the term of office of the next Labour Government."

It set out the considerations on which this decision should be based, but rejected the concept of "shopping lists" of industries and companies for social ownership.

Moving it, Mr. Denis Howell, MP, said they had to accept the NEC's proposals, moved a resolution for early nationalisation of important parts of the economy.

Mr. Wilson said: "We support and

congratulate the NEC on their proposals because such a policy is central to the achievement of a socialist society."

The party had to get the right balance between doing nothing and starting a revolution. "We believe that the NEC proposals strike the proper balance, and we support them."

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Mr. Wilson said: "We support and

relevant to the 1980s.

There were more ways than one of getting more public accounts and public involvement, said Mr. Howell, Labour's housing spokesman.

"Millions of pounds were invested in pension funds which were simply used for power and pension funds. We could probably achieve more in five minutes than a Labour Government might achieve in the first five months in office."

Mr. Heffer said he was a little unhappy with Mr. Wilson's references to the constitutional rights of the "shadow" Cabinet.

"I have looked at Clause Five (of the party constitution) and it says there will be a joint meeting between the NEC and the 'shadow' Cabinet to determine the manifesto. The word veto does not exist (applause). There is no question of a veto."

A conference approved one of the resolutions which mentioned the 25 companies and there were a division between the "shadow" Cabinet and the NEC, he would have thought the majority decision at that meeting would decide on behalf of the conference.

Conference defeated by a big majority the Kemp Town resolution. Voting was 5,600,000 against and 281,000 for.

On a show of hands conference unanimously accepted the resolution moved by the AUEW calling for the early nationalisation of important parts of the British economy.

The resolution from the Association of Professional, Executive, Clerical, and Computer Staff, which was also backed by the executive, was carried on a card vote by 3,839,000 to 2,217,000, a majority of 1,622,000.

policy could have gone just that bit further.

"We talk now, apart from a faint hearted belief, in a 'show of hands' but no longer a great issue in the party, as it was in the past."

The Labour Government between 1964 and 1970 took no steps towards the transfer of ownership of the capital assets into the socialist sector, and that was what the argument was all about.

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Belgian Property Market

FINANCIAL TIMES SURVEY

Influence of foreign firms grows

This Survey was written by PETER RIDDELL, Property Correspondent

The growth of foreign investment has been the main change in the development of the Belgian property market over the last few years. This new influence has made its mark very quickly as can be seen from the fact that at least 40 different foreign organisations are now operating in the Belgian property market, with Britain playing the major, though not the sole, part. Although the degree of foreign penetration is much higher than in almost any other part of Europe there is a danger of exaggerating the purely British aspect and of forgetting other sources of overseas interest, notably the Swiss and German, which tend to be overlooked because of the publicity surrounding the so-called British "invasion."

Healthy state

Similarly, the Belgian property industry itself is also liable to be ignored, even though it is in a very healthy state; and—apart from certain sections of the commercial agency side—is benefiting considerably from the overseas presence. Many of the foreign owned schemes have been bought from local contractor/developers who are able to make a double profit from the sale of the scheme and from building the actual development.

There are a number of reasons why overseas groups have been able to grow to such a powerful position in Belgium. For a start there is the specific advantage British groups have in raising money on a medium and long term basis locally because of their strong balance sheets. This places them in a favourable competitive position in relation to local contractor/developers

who are far more accustomed to work on a short term basis, either by selling their projects on completion to institutions or by selling space floor by floor during the course of construction. Moreover there is also the almost complete absence of formal restrictions on foreign companies setting up subsidiaries and operating in Belgium while the flexible and relatively free planning system has also stimulated development and induced a number of British developers to come to Brussels as the first stage in their Continental expansion.

There is also the attraction of the higher development and investment yields; and even after a sharp drop in the last two years, the yield for prime office property in central Brussels is still roughly two points above the comparable figure in the City of London. The low level of yields and the intense competition for any quality sites in the U.K. works as an added pressure behind the expansion.

A key role in stimulating interest has been played by the British agents which have opened offices in the city. Many, in fact, offer a full range of project management and appraisal services in addition to acquiring sites and letting buildings. Their importance is underlined by the fact that only a few British companies have offices in Brussels to look after schemes; themselves, and so most developers rely for much of the day-to-day work on their retained agents, indeed, far more so than in the U.K.

The principal agents on the office side are Jones Lang Wootton and Richard Ellis from the U.K. and Jacques de Duve

from Belgium. This in itself underlines the relative scale of the British influence, but because these three firms appear to dominate the scene with all their Boards does not mean that the continuing role of a large number of other agents should be ignored. Several British agents have started working in Belgium in the last year or two, in a few cases also setting up an office. Among them are Knight Frank and Rutley, King and Co., Donaldsons, Hitchcock and Co., Savills, and Healey and Baker.

Local criticism

The activities of the British agents has aroused some local criticism from agents who claim to have been squeezed by the arrival of the British. There have also been allegations about a British monopoly and there seems to be some sensitivity to the implication that local agents are not as skilled or professional as their British rivals. A number of these fears were voiced earlier in the year at a meeting of local agents who were particularly concerned about the publicity methods of one or two British firms.

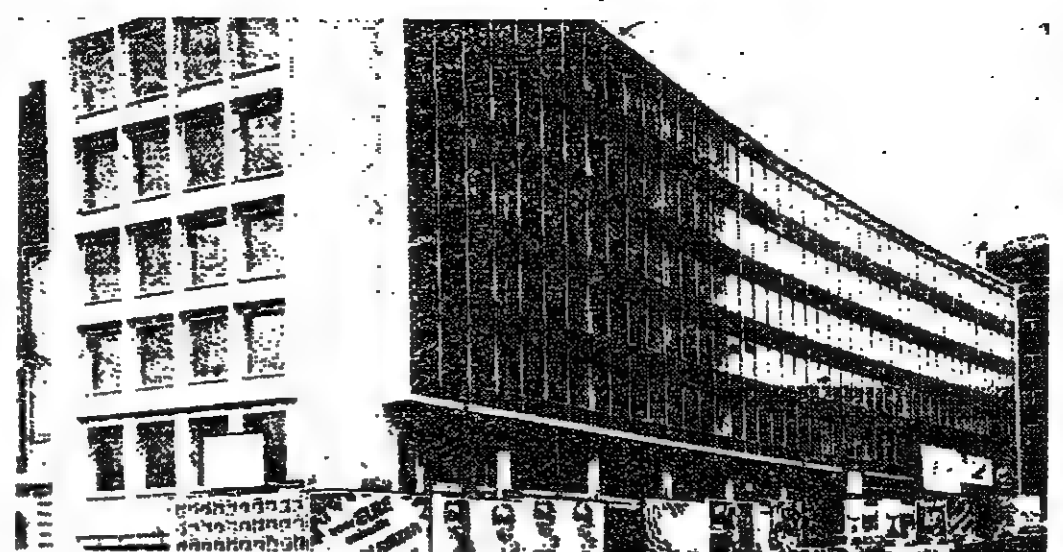
The extent of the reaction against foreign activity should not be over-stated, and a number of organisations are, in fact, working very closely with British agents. Georges de Wandeleer, a leading local agent, has, for example, linked with Bernard Thorpe to form a joint agency operation. The local press has, however, been keeping a close watch on any signs of a further major extension of British influence and there was considerable discussion of the British activity when both the Tour Madou and parts of the Manhattan Centre were

bought by U.K. groups. Somewhat ironically, the main trouble seems to stem from the fact the U.K. developers and agents are for once being much less reticent than their Continental rivals. The Dutch, Swiss and Germans are all building up sizeable stakes, but in a very much quieter and less noticeable way.

At present there seem to be few fears that the local Government will introduce any specific measures aimed at restricting the activities of foreign property companies, and there are no real signs yet that any informal process of restriction is occurring—say on the financial side—as seems to be happening in some extent in France. This is partly because the Government and most local commentators recognise that

foreign investment is helping to provide the modern offices the city requires if it wants to expand as a centre for international companies (leaving aside the local demand for modern space). There is some concern though that the high prices being paid by overseas groups—in some cases extraordinarily high to the locals—may unsettle the market and push up rents sharply. Rents have risen rapidly over the last year but this is more because of a shortage of space, and there are no signs yet of Brussels losing its competitive edge in relation to Paris or London.

This 70,000 sq. ft. office development in Rue de Loxum in Brussels which is nearing completion and has already been let by Jones Lang Wootton.



which have spearheaded the out-of-town centres such as hypermarkets which have largely explained by differences in the structure of the property industry in Britain and on the Continent. And while many of the leading public property groups such as MEPC, Star, Town and City, Hammerns and Amalgamated Investment have all been operating in Belgium, many of the most active groups have been private non-quoted companies such as London and Overseas and Heron Corporation. There has also been a marked build-up in U.K. institutional interest recently, though the problem is, as always, finding schemes of sufficient quality.

As an accompanying article makes clear most of the overseas investment—as well as the domestic activity—has been focused on the Brussels office scene and the first major test of the recent burst of expansion will come here in the next two years as the expected oversupply situation develops. This will test the commercial judgment of some of the foreign investors as well as giving a good indication of the strength of the market.

In anticipation of this a number of overseas groups have started looking to Paris and Germany for investments while, within Belgium, an increasing amount of interest is now being shown in the industrial, shopping and residential sectors. Industrial development is discussed later in this survey and is the next area likely to receive

the next area likely to receive a major British investment. The shopping sector is much more complex, partly because of the very high provision of shops per head in Belgium and also because of Government restrictions on the further growth of

shopping centre schemes now being prepared by British developers both inside Brussels and on its fringes. More several leading British firms are known to be keen to move into Belgium and follow lead of Marks and Spencer which has bought a prime site in the Rue Neuve, Brussels leading shopping street, Austin Reed, which is also tending to open a branch in capital.

Nevertheless, a number of housing problem: The residential market also interested a few companies and Trefalgar House, for example, has a number of projects here. The above control has helped to ensure that the main centres suffer the same problems as other cities. How long this easy availability of accommodation will last is difficult to say and some observers predict that if the predicted expansion in office space in the city occurs most of the current capacity of housing will be filled up. But that high the question of the availability of people, and staff short may, as in other European cities, provide the most live check on the rapid expansion of development—however potential there still is for replacement of existing buildings.

Housing problem:

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Advice to anyone interested in property development or buying premises in Belgium:

One of the first things you'll notice these days if you come to Brussels is the presence of so many English names on the property billboards.

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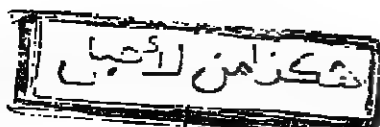
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ALGIAN PROPERTY MARKET II

British investors lead the way

The most significant going long enough to announce the past year has been any acquisitions yet.

In addition several other non-Belgian institutions — notably the Zurich Insurance and the Philips Pension Fund — have been active in Brussels. The Zurich Insurance has been largely stimulated by the increased demand on a larger scale than the property groups, insurance companies and pension funds in the Manhattan Centre.

Most noticeable, but not the only, source of interest.

The general problem has been to satisfy this demand. For the reasons mentioned above comparatively few completed investments of any quality come on the market. The number of deals arranged is still on a small scale. The most well known acquisition involving a completed building was the purchase last autumn by the Abbey Property Fund of the Tour Madou in the Avenue des Arts for more than £7.5m.

On the one hand many were produced by owner occupiers, insurance companies, off any surplus space, the other hand, many developers were principally with the "auto system" where space is built during the construction. There are "holdings" restrict the investment market. In the main Belgian is have often been to undertake purely developments, and a groups, mainly which have been pre-developed for rental, their buildings to a either before or completion. This limited the flow of space onto the market has also been the reluctance of instapart with properties because of the proband where to invest of any sale.

event, the amount of is expanded following use in overseas in.

This has come from Britain as companies, pension property bonds and have increasingly problem of finding investments in the anything other than yields. Given the competition in the U.K. fields in Belgium have appeared attractive, time when the leadtions first began look a Continent seriously scale—18 months to 2 years ago—the gap prime U.K. and Bel is, Brussels office) at least three points.

nsion fund

ently an increasing of institutions have ing at Belgium and use which have made is in the last couple of years. Sun Alliance, Com-Union Properties, Union, National or Bank Pension rasshopper Property st. Abbey Property Save and Prosper Fund, and Rothschild t. Trust. An im-indicator of the pension fund interest continent has been by the formation of a f special vehicles for on the Continent.

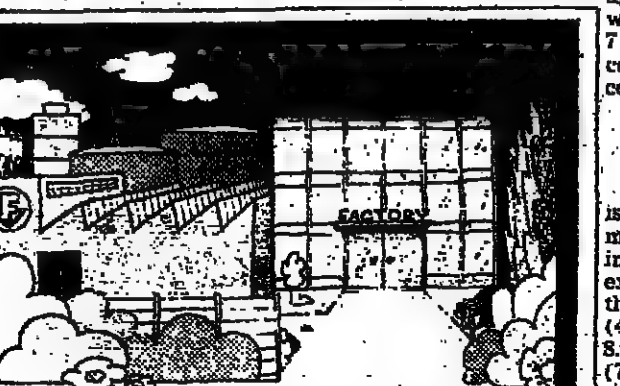
The Tour Madou does, how-EUPIC, and the ever, have certain advantages Unit Trusts set up because of its location, and auspices of Samuel Abbey and Fried- modernise and renovate the hough neither of the interior with the aim presum- a Trusts has been

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London and Overseas Property blocks nearing completion or in the development of the Tour Astro, a 40,000 square metres block in Avenue de l'Astronomie, while the National Westminster Bank Pension Fund has joined with a subsidiary of the Ladbroke Group in an £11m development in the Square de Meuse in Brussels.

Unsatisfied demand

There have been a number of other straight investment deals in both the Quartier Leopold and the Avenue Louise, though relatively few outside Brussels. For example, Heron Corporation, in conjunction with Central and District Properties, has bought an existing building at 190, Avenue Louise as an investment. But a general complicating factor is that local property owners are apparently not nearly as attuned to the investment criteria of potential purchasers as in the U.K.

The combination of a restricted supply and large unsatisfied demand from institu-

tions looking for property in the £1m. to £2m. range has led to a sharp fall in yields. Although the market has expanded recently the previous thinness makes comparisons difficult.

However, most local agents would agree that the current prime rate for a completed office building in the Avenue des Arts, fully let to a top covenant, is in the 5.75 per cent to 6 per cent range compared with a prime rate of perhaps 8 per cent two years ago. Similarly, most observers would agree that it is difficult to buy good quality investments in first class positions at much above 6.5 per cent. Location is, as always, very important and a completed building in a slightly secondary position in the Quartier Leopold can still probably be bought for around 7 per cent or over.

Amount lent

However, all these institutions have now agreed to limit the level of their lending to a quota fixed in relation to the average amount lent last year. If they lend above this level they face penal interest rates. This has pushed interest rates up very sharply from perhaps 7.5 per cent to 12 per cent or more. The result is that apart from certain top-rank borrowers many groups find it extremely difficult to raise further money for expansion at acceptable interest rates and may have certain problems in refinancing short-term loans.

Expected rates

Incidentally, although there is comparatively little investment activity in the shop or industrial markets so far, the expected rates of return given there are 6.5 per cent for shops (4.5 per cent in the U.K.) and 8.5 per cent for industrials (7 per cent).

Looking at the general office investment market the Jones Lang Wootton report last January pointed out that this area "offered the most attractive market in which to place money in Brussels office property at the present time." The intriguing question is how much further the yield gap with the U.K. will narrow, and yields fall, without affecting institutional demand. This stage has apparently not been reached yet, though there could be a resistance to much lower yields in view of the uncertainties about the future growth of rents in the city and the state of the letting market.

However, the absence of a sufficient number of completed investments to match the demand has led an increasing number of institutions to become involved in schemes either nearing completion, or in the course of development. Thus Grasshopper Property Unit Trust, via Barclays Bank Trust Company, has linked with

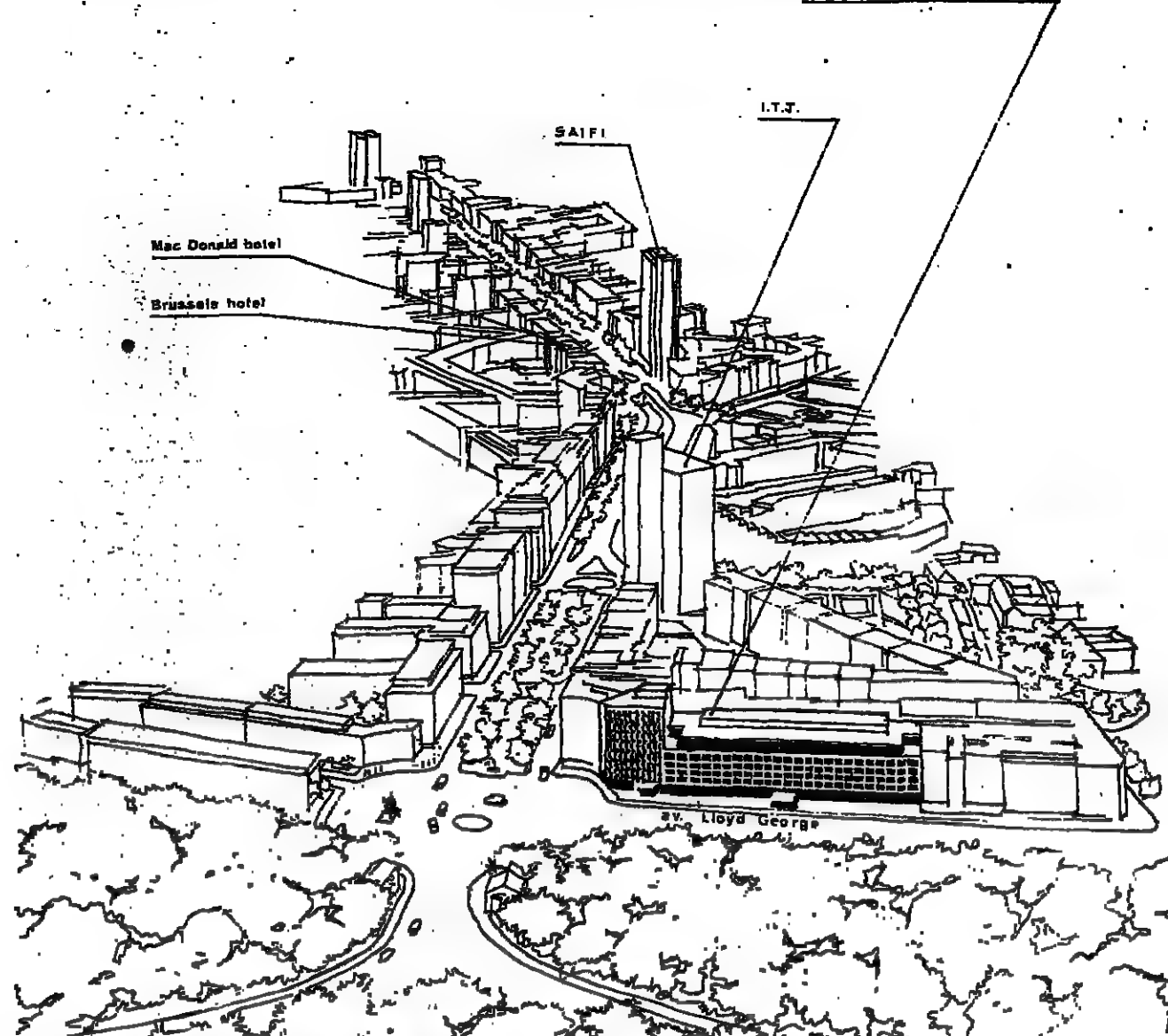
common market headquarters Brussels

It is worth remembering that the current controls only last for a few months and it is not known what will be introduced in the long term. After all, the Belgian banks have plenty of money around which could be lent to British property groups, and this will presumably happen again if controls are eased. In any event, the amount of investment activity seems likely to continue to increase even if yields do not decline as sharply as in the last two years. There has also been a marked increase in local institutional demand from insurance companies and the like—and an important source of potential demand could be opened up if the rules are changed, as many expect, and Belgian pension funds are allowed to invest in commercial property.

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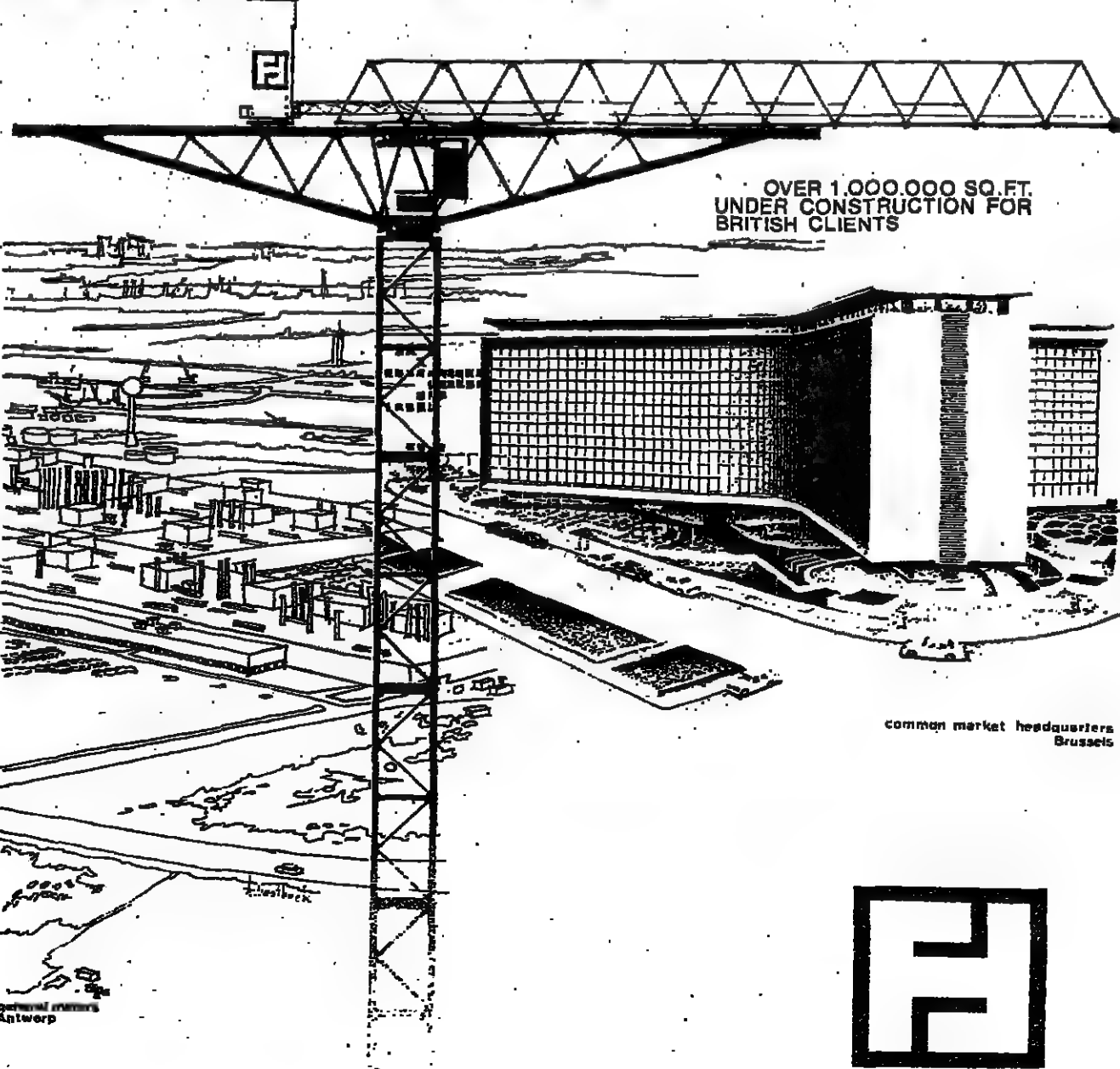


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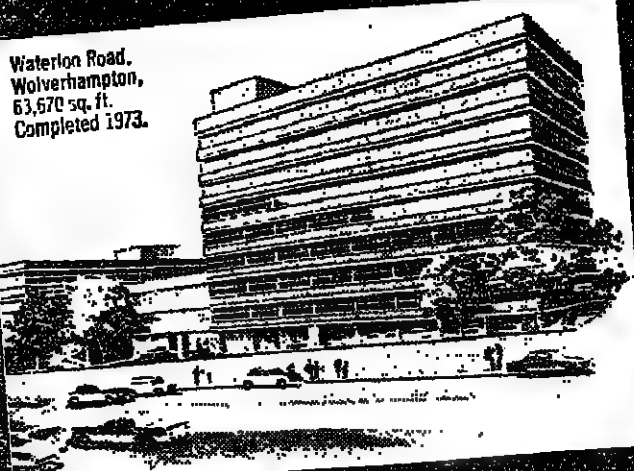


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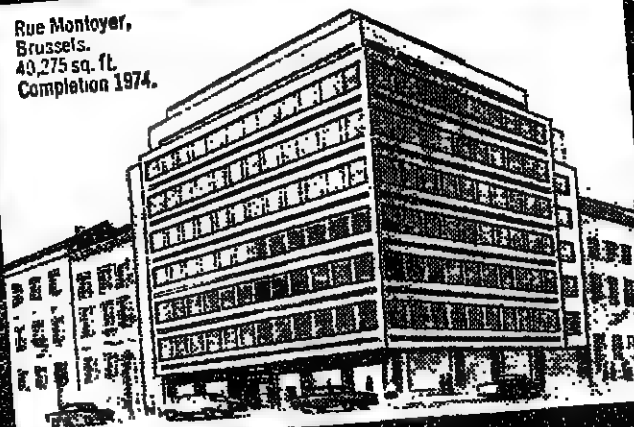
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BELGIAN PROPERTY MARKET III



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Wave of interest in industrial projects

The industrial sector is likely to be the next major area for the expansion of overseas, and in particular British investments in Belgian property. As some of the enthusiasm for developing new office buildings in Brussels wears off—at least temporarily—a number of companies are acquiring sites for light industrial and warehousing schemes. At least a dozen industrial projects have been arranged so far by British groups, and since most have been fixed up in the past few months not much space has actually started coming on to the market yet.

As in most other Continental countries the majority of factories are constructed to a particular company's requirements and many are also owner-occupied. But it would be wrong to conclude from this that all industrial property is owner-occupied, since a large number of depot buildings are rented and there is quite a thriving market in the letting of these premises throughout the country. Indeed Richard Ellis, which was almost the first British agent to become actively involved in this area, has a sizeable number of instructions to let these type of depot properties.

Rented space

The innovation, however, is the growing provision of industrial estates of rented space on the U.K. pattern. There are a number of local-authority-run estates—in some areas land is sold to developers—and there are also some schemes developed by Belgian contractors.

There are considerable attractions for industrial development in Belgium though. For a start, there is the flexible attitude to the arrival of foreign industrialists, and there are also extensive industrial incentives in many areas with tax and interest-rate concessions.

The storage and warehousing sector is widely regarded as having most potential, both because of Belgium's geographical position within Western Europe and because of the high standards of the autoroutes and communications inside the country. This means that Paris is only about three hours away from Brussels by road now.

Over the past couple of years the demand for warehousing space has increased noticeably, especially along the main autoroutes or near the ring roads around Brussels. A significant feature is that the demand has come not only from international companies used to renting space, such as British, U.S. and Japanese groups, but also from local concerns accustomed to owner occupation. One U.K. agent testing the market for a new industrial project near Brussels was, in fact, pleasantly surprised with the extent of the positive response from medium-sized local companies prepared to rent space.

The first major British industrial scheme involved Slough Estates' 62-acre St. Nikolaas Europark along the Antwerp/Ghent autoroute, 14 miles from Antwerp. Development of this estate started about 10 years ago and progress was slow initially, as there was comparatively little local demand and not very strong overseas support. However, the situation has improved considerably over the past few years and the scheme is now going well. All the original northern area of the site has been developed and among the tenants are Toyota Ford, Borg Textiles and Hunt Chemical. Another area of 32 acres is now being available for development. Lettings on the estate have recently been arranged at around B.Frs.900 a square metre.

Most of the current interest is in schemes nearer Brussels, especially around the airport where a number of British com-

panies, including some leading industrial specialists, are preparing sites for development. There are at least six projects under way in this area at present, some on clear land and others on the site of former existing factories.

Mixed scheme

Diegem, for example, is attracting a lot of attention, particularly for mixed office and warehouse schemes. Law Land is developing 17,000 square metres of offices and 3,000 square metres of warehousing and Property Security Investment Trust is developing a seven-acre site in the same area.

The other major locations are near the main autoroutes, notably the ones from Brussels to Antwerp, Liège and Ghent. Among the schemes announced to date are Stead Investments' five-acre warehousing development at Malines, Samuel Properties' 32-acre factory and warehouse development to the west of Brussels, and Maybrook Properties' 7,000 square metres plus warehousing scheme at Braine l'Alleud south of Brussels adjoining the autoroute to Paris. Guardian Properties is also active in this sector and has pre-let an office and warehouse project at Aartselaar on the main road from Brussels to Antwerp to Federal Mogul, the Belgian subsidiary of the U.S. group. Rents here have been around B.Frs.900 a square metre. Guardian has in addition arranged a sale and lease-back on an office and industrial complex at Vilvorde.

There is also an increasing amount of interest in Antwerp where there are a large number of industrial and warehouse buildings around the harbour area. Some mixed office and industrial investments have been acquired here. Bovis Property Division, for example, has bought in office and industrial up to their developers' ho-

sting, while Country and Town Properties has purchased an existing freehold industrial and office property in a position in the Nourderla near the docks.

While the prospects for these projects look reasonable, encouraging according to local observers there is an element of uncertainty about development along U.K. lines so new to Belgium. There are few established levels—and practically no inventory market yet in industrial but there will be more evidence about how successful development is in creating a market with some of the current projects start to become available in spring. It will be particularly interesting to see what happens to the cluster of developments near Brussels airport. Although both developers and agents to some extent working in the dark, there is the evidence rents being achieved by developers and by Slough at project. Rents are likely to be in the B.Frs.800-a-square-metre to B.Frs.1,200-a-square-metre range for good-quality space. This is partly because industrial units frequently contain rather higher proportion ancillary offices than in U.K., developed to a fairly high standard.

10 per cent.

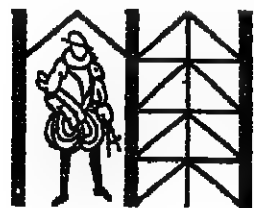
This area of the market is likely to expand with an increasing number of specialist industrial developers becoming involved. It is significant that certain leading U.K. industrial agents, such as King and Co, have set up Brussels offices specifically to work in the industrial sector. The amount of industrial activity here, however, seems likely to be limited, Division, for example, has whether the early schemes bought in office and industrial up to their developers' ho-

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Compagnie Bruxelles Lambert
Caisse Hypothécaire Anversoise
Société Nationale d'Investissement

BRITISH FUNDS									
Stock	Price	Yld	Div	Net	Div	Net	Div	Net	Div
Shorts (Lives up to Five Years)									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
Five to Fifteen Years									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
Over Fifteen Years									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
Undated									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
INTERNATIONAL BANK									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
CORPORATION BONDS									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
COMMONWEALTH & AFRICAN BONDS									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
PUBLIC BOARD AND OTHER BONDS									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
FOREIGN BONDS & RAILS									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
AMERICANS									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
CANADIANS									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
RECENT ISSUES AND RIGHTS									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
FOR NOTES, SEE PAGE 41									

F.T. SHARE INFORMATION SERVICE

ENGINEERING AND METAL-Cont.

BUILDING INDUSTRY-Continued									
Stock	Price	Yld	Div	Net	Div	Net	Div	Net	Div
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
DRAPERY AND STORES-Continued									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
ELECTRICAL AND RADIO									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
CHEMICALS, PLASTICS, ETC.									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
CINEMAS, THEATRES AND TV									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
DRAPERY AND STORES									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
FOOD, GROCERIES, ETC.									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
HOTELS AND CATERERS									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270

HOTELS-Continued									
Stock	Price	Yld	Div	Net	Div	Net	Div	Net	Div
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
INDUSTRIAL									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
RECENT ISSUES AND RIGHTS									
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
British Bond	100.00	11.13	270	100.00	11.13	270	100.00	11.13	270
FOR NOTES, SEE PAGE 41									

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THE LEX COLUMN

Index rose 7.0 to 437.5

Chartered
Surveyors in
Western Europe
**JONES LANG
WOOLTON**

Lombard

The great regional aid fund chimera

BY C. GORDON TETHER

ALMOST all the pre-entry versions of Common Market euphoria—the great benefits that would be more or less instantly derived from access to “a market of 300m” and so forth—have long since been dispelled by the passage of events. In the case of regional aid, we now have an instance of second stage euphoria suffering the same fate.

For it is becoming more and more apparent that there is no hope of the new-style project dreamed up by Mr. George Thomson making such an impact on our economic scene that it can be counted upon to function as an antidote of substance to the problems arising from European integration.

The unveiling a few months back of the Thomson Plan for a Community regional aid fund channelling an average of £300m. per annum to less developed areas over the next three years was widely hailed as having transformed the British EEC prospect in two important respects. In the first place, it was said, it would put the Government in a position to demonstrate to the public at home—the assumption being that the U.K. would be one of the main beneficiaries—that joining the Common Market did not just mean paying over huge sums of good British money to French farmers.

In the second place, so the propaganda ran, it would make it much easier for Britain to move forward to economic and monetary union—notably by putting her in a better position to strengthen areas that, being on the periphery of the projected empire, would stand to suffer most from such advanced forms of integration.

The message

Such counting of the chickens was premature in the sense that there was obviously no certainty that the other EEC countries would be prepared to revise their earlier ideas about the level at which regional aid should function—around £20m. a year. But what is already evident is that even if they are, there is very little hope of the U.K. deriving net assistance on a meaningful scale—that is large enough to be a significant set-off to our CAP burden or of relevance to the accentuation of regional problems that any major involvement in European integration would bring in its train.

This is the message coming through loud and clear from the latest thinking across the Channel about the regional aid issue. To take the French first, as our Regions Editor recently found, they are determined “to get back from the EEC Fund as much as they put in—with no strings attached.” And what the Italians are saying is even more telling.

Following a major re-think about their sorely-tried southern development areas, the Italians are making out a strong case for a much larger share of the proposed EEC aid fund than the third envisaged at present. What is more, they have ringed round the diminutive part that external aid of an apparently substantial order can play in combating regional problems.

Just to maintain the present distribution of national wealth between the North and South, they have discovered, they will need to provide 1.3m. new jobs in the South during the 1970s. And they estimate that one key project calculated to create only 4,000 of them would absorb almost half EEC aid.

A warning

Not only, it seems, will we be fortunate to obtain a net contribution of more than a few tens of millions of pounds from the Thomson fund. It is also clear, that such sums cannot be counted upon to make more than the merest dent.

Before handing out subsidies to backward areas, the French Planning Minister recently argued, the EEC should undertake a statistical study of European regions. It is an idea that could be bettered. What is really needed is an examination of the whole question of the probable impact of monetary union on the more exposed regions.

A Region, as Professor Morgan of Manchester University points out in the current issue of *Lloyd's Bank Review*, is a community trading with the rest of the world and, like a nation, can encounter balance of payments difficulties. The seeming intractability of the “payments problem” with which Southern Italy finds itself grappling as a result of being “tied in” with the North is a solemn warning to us to be careful not to create any more such blighted areas—as we so easily could by turning nations with comparable built-in handicaps into provinces of a giant European State.

Fluctuations in the Freemans sums

Yesterday's interim report profits of £3.7m. pre-tax against last year's £2.2m. last time around. The company said last month that this year's margins would be below its ceiling which, crudely worked out at 8.95 per cent. against 9.8 per cent. last year, meant that it would take a lot of volume growth to make much impression on profits. The shares, too, had been concentrating more on the Sears stake and bid prospects in their rise this year from 200p to a 290p “high.” So yesterday's 4p rise to 282p, on turnover and profits up 29.4 per cent. and 59.9 per cent. respectively, seems to say that a market which has been forgetting yesterday's achievements is now ignoring tomorrow's problems.

The specific problem is that margins were over 12 per cent. in the second half last year. Now Freeman's reference level might not be quite so low as 8.95 per cent; but if it were, a 20 per cent. increase in second half sales—after what looks like 37 per cent. (pre-VAT) followed by 23 per cent. in the first two quarters—would mean

profits of £3.7m. pre-tax against last year's £2.2m. last time around. The company said last month that this year's margins would be below its ceiling which, crudely worked out at 8.95 per cent. against 9.8 per cent. last year, meant that it would take a lot of volume growth to make much impression on profits. The shares, too, had been concentrating more on the Sears stake and bid prospects in their rise this year from 200p to a 290p “high.” So yesterday's 4p rise to 282p, on turnover and profits up 29.4 per cent. and 59.9 per cent. respectively, seems to say that a market which has been forgetting yesterday's achievements is now ignoring tomorrow's problems.

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Asbestos Industry

Its detailed interim figures make Cape Asbestos a handy microcosm of the asbestos industry, and building products are the predictable feature of a two-fifths profits gain to £2.6m. which drops the net p/e for the last 12 months below 9. Capacity utilisation in asbestos cement at both Cape and Turner

around 60 to over 80 per cent. odd here, too, that margins during the past year, and both groups are happy about the volume outlook for 1974. Cape is also picking up business in insulation, which was a very weak spot for Turner last year. Volume also explains a firm performance in mining, nearly two-fifths of the total, and provides the background to forthcoming fibre price increases. These will not mean much to Cape, with rising costs in South Africa, or for that matter to Turner. But following a prolonged period of over-supply, they help to confirm a picture of continuing strength in the demand for asbestos products. Automotive products are well up too, following exceptional 1972, against 1.69m. pre-tax a year ago. Cape's expansion programme in distribution represents in part a defensive counter to some savage throat-cutting in the U.K. replacement market for friction materials, but it is worth noting that the BBA Group, for one, reckons that the worst is over here. Turner also has obvious ambitions outside asbestos, and the latest acquisition makes

British Industrial Plastics its base. For MW that means a lot of largest U.K. operation, at least in terms of sales. A firm market recently, the p/e for the 12 months just ended may be about 10½ net.

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Matthews Wrightson

Matthews Wrightson yesterday disappointed the punters, who had taken the shares (a thin market) up from the 190s to 222p ahead of the interim figures, possibly on the grounds that its shipbroking profits were depressed in the first half last year—while SIH has recently turned in a cracking performance in that category. The shares ended 2p down on the day at 212p on pre-tax profits of 1.95m., against 1.69m. pre-tax a year ago. Cape's expansion programme in distribution represents in part a defensive counter to some savage throat-cutting in the U.K. replacement market for friction materials, but it is worth noting that the BBA Group, for one, reckons that the worst is over here. Turner also has obvious ambitions outside asbestos, and the latest acquisition makes

However, MW and its fans would probably contend that (a) the general level of its interim accounting is very conservative and that (b) its very large volume of “middle cut” business—medium to low profit insurance broking—means that in a fairly high expense ratio has a marked tendency to shift to calendar year accounting

been accompanied by an increase of just 5 per cent. in working capital. Recovery in components—with their short production cycle—has played a part but so, obviously, has financial management, and a further improvement is scheduled for this year.

Next, a slowdown in the Post Office's rate of offtake is already apparent, with an 11 per cent. sales gain here against rises of well over a fifth in each of the previous two years. But Plessey reckons that it is now on a maintainable trend; and a 15 per cent. rise in telecommunications sales overall—in line with the recent average—might suggest new strengths in overseas business and private systems after two years of stagnation.

Finally there are the remaining recovery areas—the U.S., of course, and also U.K. industrial and commercial sales, which are still below 1968-70 levels. The shares are a sixth off the bottom at 122p, and the immediate prospect takes in another two quarters of bumper growth rates plus a 1973-74 p/e of maybe 10½ net.

See also Page 25

Plessey

There are three points to pick out of the Plessey accounts, and the most obvious is an £11m. drop in net bank debt to just £4m. Commonplace, perhaps, but the way it has been achieved is relevant to a group with a management reputation to rebuild. Thus a rise of just 59m. in net working capital means that a 26 per cent. gain in sales over the past two years has been accompanied by an in-

crease of just 5 per cent. in working capital. Recovery in components—with their short production cycle—has played a part but so, obviously, has financial management, and a further improvement is scheduled for this year.

Next, a slowdown in the Post Office's rate of offtake is already apparent, with an 11 per cent. sales gain here against rises of well over a fifth in each of the previous two years. But Plessey reckons that it is now on a maintainable trend; and a 15 per cent. rise in telecommunications sales overall—in line with the recent average—might suggest new strengths in overseas business and private systems after two years of stagnation.

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See also Page 25

Plessey call for official support on exports

By Christopher Lorenz

SIR JOHN CLARK, chairman of Plessey, yesterday called on the Government to do more to boost British exports of telecommunications equipment.

In his annual review of the company's performance Sir John said careful study would show that the world demand for telecommunications will promote one of the great export opportunities of the next 20 years or more.

The Government must do more to ensure that Britain won a significant share.

Referring to the need for major policy decisions on the road towards system “X”—the all-electronic telephone switching system required by the Post Office for the 1980s—Sir John said Plessey would continue to stand firm for a system that was exportable on all counts.

Significant

The Plessey statement is seen as a call to the Government to prompt the Post Office towards a system which is not primarily tailored to the idiosyncrasies of the existing British telephone system but is readily exportable all over the world.

Sir John's remarks are especially significant now that GEC has joined forces with Standard Telephones and Cables in the development of the new generation of switching equipment, TXE 4. Plessey is still critical of TXE 4 in its present form, although it is preparing to manufacture the equipment.

Yesterday's annual report showed that telecommunications again represented 44 per cent. of Plessey's turnover. About a quarter of the £142m. telecommunications sales were made abroad.

The report also revealed that Sir John was paid £55,175 in the company's last financial year, compared with £47,518 in the previous year.

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Men and Matters Page 22

Company report Page 25

Continued from Page 1

Wilson unites party

debate involved Mr. Roy Jenkins, Mr. Wilson's former Deputy Leader. Although Mr. Wilson had carefully opened his own speech by emphasising that the party's public ownership proposals must be acceptable to the British people, Mr. Jenkins intervened later to say it was no good the party's talking about fundamental and irreversible changes in society and then saying to be content with a 58 per cent. Labour vote, and relying on the faults of the Tories to win it the next general election.

The party programme must be capable of being carried out in what might be very difficult economic circumstances, he declared. If Labour took on what it could not do it would only add to dangerous public disillusionment with politicians, and that could benefit no party “but some much more sinister forces.”

Mr. Jenkins supported the motion from APEX, the clerical workers' union, which opposed “shopping lists” of companies and industries for public ownership. The programme, he added, should be related to the worries of ordinary Labour voters and potential voters in their day-to-day lives. “Let us be radical by all means, but let us be responsible and rational as well. Let us widen our appeal.”

This provoked Mr. Charles Loughlin, MP for Gloucestershire, West, to rebuke Mr. Jenkins for seeking to resuscitate “the outdated idea of attracting the middle floating voter. We must attract the few votes but only alienate the many.”

Mr. Loughlin also remarked bitterly that the main difficulties of the last Labour Government had been with the Treasury, of which Mr. Jenkins had been in charge. Mr. Jenkins had been cheered loudly by a section of the delegates, but those for Mr. Loughlin

came from nearly every corner of the hall. He was applauded wildly when he urged Labour to take over the banks, insurance companies and financial institutions, and also when he said there should be no compensation for renationalising sectors which the Tories had hived off to private industry.

Mr. Wedgwood Benn, winding up the debate, also had a dig at Mr. Jenkins, saying that those who talked about public ownership as if it were a threat should realise there were millions of employees who were much more frightened of the possibility of Slater Walker taking them over and making them redundant. As for multi-nationals, “If we don't control or own them they will control or own us.”

On compensation for renationalising hived-off industries Mr. Benn said the party's position was the same as in 1971. Then Mr. Benn had talked about refusing to allow the private owners to “make a profit” out of the renationalisation terms.

The conference heavily defeated a Marxist motion calling not only for a commitment to nationalise 25 of the leading manufacturing companies but also 250 monopolies. The vote was 5.6m. to 291,000.

A general motion supporting “proposals by the executive for early nationalisation of important parts of the economy” was carried, as was one calling for “genuine elements of industrial democracy and workers' control,” including 50 per cent. worker membership of the Boards of all nationalised industries.

Surprisingly, the APEX motion was carried by 3.8m. to 2.5m. votes—largely due to the support of the Transport and General Workers' Union, which traditionally objects to detailed “shopping lists” for nationalisation, chiefly on political tactical grounds.

Australia planning to take over all oil and gas

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

SYDNEY, October 2

THE AUSTRALIAN Government may become the marketing authority for all north-west shelf oil and gas. Government sources said today that it would purchase the resources in the area from the companies in the fields.

News of the decision broke prematurely in the half-yearly report of the Woodside-Burnham consortium, the principal operating concern. Mr. Rex Connor, Minister for Mines and Minerals, had planned to announce the move before Christmas, when negotiations were finalised, the sources said.

Woodside-Burnham has been told the Government intends to take all production of energy at wellhead. It will directly plan and control all downstream development activities. The company, which has significant gas deposits and promising oil shows on the north-west shelf, had hoped to develop its discoveries itself.

The Government decision has come as a severe blow for the

company. A significant statement in the half-yearly report said the group was considering diversification of exploration activities to attractive areas outside Australia.

In London the market reacted strongly to the news. Woodside-Burnham shares closed 30p down at 86p.

The Government's action will probably prompt a sizeable political storm. In Perth, Sir Charles Court, the West Australian Opposition leader, described the plans as a disaster that would send shockwaves throughout the free world.

Improvement

Woodside-Burnham currently has a lease on 141,971 square miles of territory and half of the development of the gas field in 1975. The half-yearly report said the company was to continue its evaluation of its lease areas to decide which should be handed back to the Government.

Mr. J. G. Donaldson, chairman

of Woodside-Burnham, said there had been a considerable improvement in the proving of reserves on the Rankin Trend. Earlier this year it had been announced there were recoverable reserves of 15,000,000 cubic feet of which 7,500,000 had been proved. New information had increased proved reserves to 13,500,000 cubic feet.

The consortium had spent \$A17.9m. this year on exploring the shelf and proposals for the rights issue were still being considered, he said.

Uncertainty over the future of the gas has had a severe effect on the Woodside-Burnham share price in Australia. It has declined from a high of \$A4 to between \$A4.40 or \$A1.50. Today, before the announcement, there was a downturn to \$A1.37 and a significant fall to-morrow is widely expected, as the consortium's plans for a share issue to raise capital for further exploration are now in jeopardy.

Two Bryanston directors and its brokers resign

BY NICHOLAS LESUE

TWO DIRECTORS have resigned from the Board of Bryanston, the finance and industrial group which has been criticised in recent months over its finance policies. The company's brokers, Rowe Rudd, have also resigned.

Rumours of the developments—which were confirmed by Bryanston chairman, Mr. Teddy Smith—resulted in the share price falling 30p to 60p, after touching a low for the year of 57p.

The two directors, both of whom were non-executive, are Mr. V. G. Baker and Mr. A. S. W. Joseph.

Mr. Baker would not comment yesterday, but Mr. Smith said the parting was amicable and that both directors had intended

leaving if the Griffiths Bentley deal had gone through. The company's proposed merger with seat-belt group Griffiths Bentley was rejected by GB's shareholders in August.

Commenting on Rowe Rudd's resignation, Mr. Anthony Rudd, the senior partner, said that his firm had been brokers to Bryanston when it went public in 1968 and that both the non-executive directors had formed part of the package offered to shareholders. “This was important as it was a bank,” he said.

Since Mr. Baker and Mr. Joseph had resigned “we thought it appropriate that we went, too.”

It appears that among their reasons for resigning the two directors felt that insufficient attention was being paid to their

advice on banking matters. Both have long connections with the banking world. Mr. Joseph was a former chairman of Leopold Joseph, the merchant bankers, and Mr. Baker was with the Bank of England until his retirement several years ago.

Mr. Smith said yesterday that he planned to announce the appointment of new non-executive directors when the company's interim figures were reported in two or three weeks' time. The name of its new brokers would also be announced.

Of the interim figures he said: “I think everybody will be satisfied, although I was hoping for much more this year.” He pointed out that Bryanston had been restricted in its banking business during the negotiations with GB.

Carr derides Labour pledges

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE FIRST indication that the Conservatives will make the maximum political capital out of the Labour Party's conference pledges came last night from Mr. Robert Carr, the Home Secretary.

In a swift retort to Labour announcements he highlighted the differences between the long-term political objectives of the Conservative Party and the policies put forward by Labour leaders at Blackpool.

How could people have more choice in the way they spent their money if more and more of their earnings were taken away in taxes, he asked Conservatives at Southampton.

“Soak the rich—what a meaningless parrot cry that is! Who are the rich, and how many of them are there?” he asked.

Mr. Carr claimed that if no family was allowed an income of more than £10,000 a year and all incomes above that level were distributed evenly to every one

getting less than £20 a week each would receive the “magnificent” sum of 11p a week. Even if no family received more than £100 a week, and the excess was given to those below the £20 mark it would produce only 45p a week.

“The only result of such a policy would be to drive away the ablest of our citizens to other more rewarding countries. Instead of becoming a wealthier country, with a chance to use its wealth in an ever more compassionate way we should sink as a nation to a lower and lower level of poverty,” the Home Secretary argued.

In contrast the most fundamental Tory objective was to enlarge choice and develop opportunities for individual people to enjoy real freedom in the way they lived and planned their lives.

How could the majority of people have a wider choice of how to educate their children if the only schools were comprehensives of a uniform kind, and how

could they have a wider choice of where to work if the only employer was a nationalised monopoly, he asked.

By definition the spread of state control and ownership inevitably produced greater uniformity and monopoly rather than diversity and competition.

NEW REGISTER FOR VOTERS

Householders in England and Wales are receiving the form Register of Electors 1974. It is important—says the Home Office—that everyone entitled to vote, including Commonwealth citizens, is entered on the form.

Names must be entered for the period February 16 1974 to February 15 1975. The 1974 register will be used for elections of councillors for London boroughs in May and Parliamentary elections between February 16 1974 and February 15 1975.

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were told that 600 would be made redundant at the end of November and a further 600 at the end of December. It was another bombshell.

Mr. Dennis Johnson, Transport and General Workers' Union convenor at Meriden, stated: “We

Triumph men start work-in

BY OUR OWN CORRESPONDENT

COVENTRY, Oct. 2

THE 1,700 WORKERS who make Triumph motor-cycles at Meriden, near Coventry, began a work-in to-night.

They locked the gates of the plant after the news that 1,200 are to lose their jobs at the end of the year. The rest will be made redundant when the plant closes at the end of January.

Norton Villiers Triumph, the parent company, announced last month that all work is being transferred to its Birmingham factory, and that many workers would be found jobs there.

Mr. Dennis Johnson, Transport and General Workers' Union convenor at Meriden, stated: “We

were told that 600 would be made redundant at the end of November and a further 600 at the end of December. It was another bombshell.

“We shall continue our work in making Triumph motor-cycles for as long as we can get components. When it is no longer possible, we shall sit in.”

came from nearly every corner of the hall. He was applauded wildly when he urged Labour to take over the banks, insurance companies and financial institutions, and also when he said there should be no compensation for renationalising sectors which the Tories had hived off to private industry.

Mr. Wedgwood Benn, winding up the debate, also had a dig at Mr. Jenkins, saying that those who talked about public ownership as if it were a threat should realise there were millions of employees who were much more frightened of the possibility of Slater Walker taking them over and making them redundant. As for multi-nationals, “If we don't control or own them they will control or own us.”

On compensation for renationalising hived-off industries Mr. Benn said the party's position was the same as in 1971. Then Mr. Benn had talked about refusing to allow the private owners to “make a profit” out of the renationalisation terms.

The conference heavily defeated a Marxist motion calling not only for a commitment to nationalise 25 of the leading manufacturing companies but also 250 monopolies. The vote was 5.6m. to 291,000.

A general motion supporting “proposals by the executive for early nationalisation of important parts of the economy” was carried, as was one calling for “genuine elements of industrial democracy and workers' control,” including 50 per cent. worker membership of the Boards of all nationalised industries.

Surprisingly, the APEX motion was carried by 3.8m. to 2.5m. votes—largely due to the support of the Transport and General Workers' Union, which traditionally objects to detailed “shopping lists” for nationalisation, chiefly on political tactical grounds.

cost
cutting
steel

CASHMORES
more than

Weather

U.K. TO-DAY

MOSTLY dry sunny spells
drizzle in N. sides.

Fog at first, then dry
sunny periods. Wind N.E.

Max. 18C (64F).

S.E., Cent. and S.W. Ensl.

Dry with sunny periods

N.E. moderate, strong in c.

areas. Max. 17C (63F).

N. Anglia, E. England

or cloud at first, then

sunny spells. Wind N.E.

or moderate. Max. 16C (61F)

Sunny at first, cloudy late

some rain. Wind N.E.

Max. 18C (61F).

Wales, N.W. and Cent.

England, Lakes, Is. of S.

N. Ireland

Some fog at first, then

periods. Wind N.E., light.

18C (64F).

18C (64F).

Edinburgh and E. Scotl.

Aberdeen, S.W. Scotl.

Glasgow, Cent. Highlands,

Firth, Argyll

Some fog early, then

periods. Wind variable.

Max. 20C (68F).

Caithness, N.W. Scotl.

Cloudy at times, but

dry with some sun. Win

moderate. Max. 18C (64F).

Orkney, Shetland

Cloudy with fog at first

time. Wind W., fresh.

12C (54F).

Outlook: Warm, sunny